

THIS FILING IS

Item 1: ☒ An Initial (Original)
SubmissionOR ☐ Resubmission No. _____

Form 2 Approved
OMB No. 1902-0028
(Expires 6/30/2011)
Form 3-Q: Approved
OMB No. 1902-0205
(Expires 1/31/2012)



FERC FINANCIAL REPORT

FERC FORM No. 2: Annual Report of Major Natural Gas Companies and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Natural Gas Act, Sections 10(a), and 16 and 18 CFR Parts 260.1 and 260.300. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of a confidential nature.

Exact Legal Name of Respondent (Company)

Southern Natural Gas Company

Year/Period of Report

End of 2010/Q4

INSTRUCTIONS FOR FILING FERC FORMS 2, 2-A and 3-Q**GENERAL INFORMATION****I Purpose**

FERC Forms 2, 2-A, and 3-Q are designed to collect financial and operational information from natural gas companies subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be a non-confidential public use forms.

II. Who Must Submit

Each natural gas company whose combined gas transported or stored for a fee exceed 50 million dekatherms in each of the previous three years must submit FERC Form 2 and 3-Q.

Each natural gas company not meeting the filing threshold for FERC Form 2, but having total gas sales or volume transactions exceeding 200,000 dekatherms in each of the previous three calendar years must submit FERC Form 2-A and 3-Q.

Newly established entities must use projected data to determine whether they must file the FERC Form 3-Q and FERC Form 2 or 2-A.

III. What and Where to Submit

- (a) Submit Forms 2, 2-A and 3-Q electronically through the submission software at <http://www.ferc.gov/docs-filing/eforms/form-2/elec-subm-soft.asp>.

- (b) The Corporate Officer Certification must be submitted electronically as part of the FERC Form 2 and 3-Q filings.

(c) Submit immediately upon publication, by either eFiling or mailing two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders and any annual financial or statistical report regularly prepared and distributed to bondholders, security analysts, or industry associations. Do not include monthly and quarterly reports. Indicate by checking the appropriate box on Form 2, Page 3, List of Schedules, if the reports to stockholders will be submitted or if no annual report to stockholders is prepared. Unless eFiling the Annual Report to Stockholders, mail these reports to the Secretary of the Commission at:

Secretary of the Commission
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

(d) For the Annual CPA certification, submit with the original submission of this form, a letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984) prepared in conformity with the current standards of reporting which will:

- (i) Contain a paragraph attesting to the conformity, in all material respects, of the schedules listed below with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
- (ii) be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 158.10-158.12 for specific qualifications.)

Reference**Reference****Schedules Pages**

Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

Filers should state in the letter or report, which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist

(e) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders" and "CPA Certification Statement," have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission website at <http://www.ferc.gov/help/how-to.asp>

(f) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 2 and 2-A free of charge from: <http://www.ferc.gov/docs-filing/eforms/form-2/form-2.pdf> and <http://www.ferc.gov/docs-filing/eforms/form-2a/form-2a.pdf>, respectively. Copies may also be obtained from the Public Reference and Files Maintenance Branch, Federal Energy Regulatory Commission, 888 First Street, NE, Room 2A, Washington, DC 20426 or by calling (202).502-8371

IV. When to Submit:

FERC Forms 2, 2-A, and 3-Q must be filed by the dates:

- (a) FERC Form 2 and 2-A --- by April 18th of the following year (18 C.F.R. §§ 260.1 and 260.2)
- (b) FERC Form 3-Q --- Natural gas companies that file a FERC Form 2 must file the FERC Form 3-Q within 60 days after the reporting quarter (18 C.F.R. § 260.300), and
- (c) FERC Form 3-Q --- Natural gas companies that file a FERC Form 2-A must file the FERC Form 3-Q within 70 days after the reporting quarter (18 C.F.R. § 260.300).

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for the Form 2 collection of information is estimated to average 1,623 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the Form 2A collection of information is estimated to average 250 hours per response. The public reporting burden for the Form 3-Q collection of information is estimated to average 165 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

GENERAL INSTRUCTIONS

- I. Prepare all reports in conformity with the Uniform System of Accounts (USofA) (18 C.F.R. Part 201). Interpret all accounting words and phrases in accordance with the USofA.
- II. Enter in whole numbers (dollars or Dth) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions.**
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the form submission only. Please explain the reason for the resubmission in a footnote to the data field.
- VIII. Footnote and further explain accounts or pages as necessary.
- IX. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.
- X. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.
- XI. Report all gas volumes in Dth unless the schedule specifically requires the reporting in another unit of measurement.

DEFINITIONS

- | DEFINITIONS | |
|-------------|---|
| I. | <u>Btu per cubic foot</u> – The total heating value, expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60°F if saturated with water vapor and under a pressure equivalent to that of 30°F, and under standard gravitational force (980.665 cm. per sec) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state (called gross heating value or total heating value). |
| II. | <u>Commission Authorization</u> -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization. |
| III. | <u>Dekatherm</u> – A unit of heating value equivalent to 10 therms or 1,000,000 Btu. |
| IV | <u>Respondent</u> – The person, corporation, licensee, agency, authority, or other legal entity or instrumentality on whose behalf the report is made. |

EXCERPTS FROM THE LAW

(Natural Gas Act, 15 U.S.C. 717-717w)

"Sec. 10(a). Every natural-gas company shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this act. The Commission may prescribe the manner and form in which such reports shall be made and require from such natural-gas companies specific answers to all questions upon which the Commission may need information. The Commission may require that such reports include, among other things, full information as to assets and liabilities, capitalization, investment and reduction thereof, gross receipts, interest dues and paid, depreciation, amortization, and other reserves, cost of facilities, costs of maintenance and operation of facilities for the production, transportation, delivery, use, or sale of natural gas, costs of renewal and replacement of such facilities, transportation, delivery, use and sale of natural gas..."

"Section 16. The Commission shall have power to perform all and any acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this act; and may prescribe the form or forms of all statements declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and time within they shall be filed..."

General Penalties

The Commission may assess up to \$1 million per day per violation of its rules and regulations. See NGA § 22(a), 15 U.S.C. § 717t-1(a).

QUARTERLY/ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

IDENTIFICATION

01 Exact Legal Name of Respondent Southern Natural Gas Company		Year/Period of Report End of 2010/Q4	
03 Previous Name and Date of Change (If name changed during year)			
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 569 Brookwood Village, Birmingham, AL 35209			
05 Name of Contact Person Gordon J. Mellema		06 Title of Contact Person Director of Gen Accting & Reg Rpting	
07 Address of Contact Person (Street, City, State, Zip Code) 2 North Nevada Avenue, Colorado Springs, Colorado 80903			
08 Telephone of Contact Person, Including Area Code 719-520-4703		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	
		10 Date of Report (Mo, Da, Yr)	

ANNUAL CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

11 Name Rosa P. Jackson	12 Title Vice President and Controller
13 Signature /s/ Rosa P. Jackson	14 Date Signed 04/12/2011

Title 18, U.S.C. 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
FOOTNOTE DATA			

Schedule Page: 1 Line No.: 1 Column: 6

Director of General Accounting and Regulatory Reporting of El Paso SNG Holding Company, L.L.C., general partner of Southern Natural Gas Company.

Schedule Page: 1 Line No.: 1 Column: 12

Vice President and Controller of El Paso SNG Holding Company, L.L.C., general partner of Southern Natural Gas Company.

List of Schedules (Natural Gas Company)

Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
	GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS			
1	General Information	101		
2	Control Over Respondent	102		
3	Corporations Controlled by Respondent	103		
4	Security Holders and Voting Powers	107		
5	Important Changes During the Year	108		
6	Comparative Balance Sheet	110-113		
7	Statement of Income for the Year	114-116		
8	Statement of Accumulated Comprehensive Income and Hedging Activities	117		NA
9	Statement of Retained Earnings for the Year	118-119		
10	Statements of Cash Flows	120-121		
11	Notes to Financial Statements	122		
	BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)			
12	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201		
13	Gas Plant in Service	204-209		
14	Gas Property and Capacity Leased from Others	212		
15	Gas Property and Capacity Leased to Others	213		NA
16	Gas Plant Held for Future Use	214		
17	Construction Work in Progress-Gas	216		
18	Non-Traditional Rate Treatment Afforded New Projects	217		NA
19	General Description of Construction Overhead Procedure	218		
20	Accumulated Provision for Depreciation of Gas Utility Plant	219		
21	Gas Stored	220		
22	Investments	222-223		
23	Investments in Subsidiary Companies	224-225		
24	Prepayments	230		
25	Extraordinary Property Losses	230		NA
26	Unrecovered Plant and Regulatory Study Costs	230		NA
27	Other Regulatory Assets	232		
28	Miscellaneous Deferred Debits	233		
29	Accumulated Deferred Income Taxes	234-235		
	BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits)			
30	Capital Stock	250-251		NA
31	Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock	252		NA
32	Other Paid-in Capital	253		
33	Discount on Capital Stock	254		NA
34	Capital Stock Expense	254		NA
35	Securities issued or Assumed and Securities Refunded or Retired During the Year	255		NA
36	Long-Term Debt	256-257		
37	Unamortized Debt Expense, Premium, and Discount on Long-Term Debt	258-259		

List of Schedules (Natural Gas Company) (continued)

Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
38	Unamortized Loss and Gain on Recquired Debt	260		
39	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	261		
40	Taxes Accrued, Prepaid, and Charged During Year	262-263		
41	Miscellaneous Current and Accrued Liabilities	268		
42	Other Deferred Credits	269		
43	Accumulated Deferred Income Taxes-Other Property	274-275		
44	Accumulated Deferred Income Taxes-Other	276-277		
45	Other Regulatory Liabilities	278		
	INCOME ACCOUNT SUPPORTING SCHEDULES			
46	Monthly Quantity & Revenue Data by Rate Schedule	299		
47	Gas Operating Revenues	300-301		
48	Revenues from Transportation of Gas of Others Through Gathering Facilities	302-303		NA
49	Revenues from Transportation of Gas of Others Through Transmission Facilities	304-305		
50	Revenues from Storage Gas of Others	306-307		
51	Other Gas Revenues	308		
52	Discounted Rate Services and Negotiated Rate Services	313		
53	Gas Operation and Maintenance Expenses	317-325		
54	Exchange and Imbalance Transactions	328		
55	Gas Used in Utility Operations	331		
56	Transmission and Compression of Gas by Others	332		
57	Other Gas Supply Expenses	334		
58	Miscellaneous General Expenses-Gas	335		
59	Depreciation, Depletion, and Amortization of Gas Plant	336-338		
60	Particulars Concerning Certain Income Deduction and Interest Charges Accounts	340		
	COMMON SECTION			
61	Regulatory Commission Expenses	350-351		
62	Employee Pensions and Benefits (Account 926)	352		
63	Distribution of Salaries and Wages	354-355		
64	Charges for Outside Professional and Other Consultative Services	357		
65	Transactions with Associated (Affiliated) Companies	358		
	GAS PLANT STATISTICAL DATA			
66	Compressor Stations	508-509		
67	Gas Storage Projects	512-513		
68	Transmission Lines	514		
69	Transmission System Peak Deliveries	518		
70	Auxiliary Peaking Facilities	519		
71	Gas Account-Natural Gas	520		
72	Shipper Supplied Gas for the Current Quarter	521		
73	System Map	522		
74	Footnote Reference	551		
75	Footnote Text	552		
76	Stockholder's Reports (check appropriate box)			
	<input type="checkbox"/> Four copies will be submitted <input checked="" type="checkbox"/> No annual report to stockholders is prepared			

Name of Respondent 20110413-8000 FERC PDF (Unofficial) 04/13/2011 Southern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2010/Q4
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General Information

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Rosa P. Jackson
 Vice President and Controller of El Paso SNG Holding Company, L.L.C., a general partner
 2 North Nevada Avenue
 Colorado Springs, CO 80903

(Additional records are maintained at 569 Brookwood Village, Birmingham, AL 35209 and 1001 Louisiana Street, Houston, TX 77002)

2. Provide the name of the State under the laws of which respondent is incorporated and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Southern Natural Gas Company (SNG) was originally incorporated in Delaware on October 30, 1935. SNG was converted to a Delaware general partnership in November 2007.

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

Not Applicable

4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.

Respondent's principal business is the transmission of natural gas in interstate commerce. Respondent's pipeline system extends from gas fields in Texas, Louisiana, Mississippi and Alabama, to markets in Louisiana, Mississippi, Alabama, Florida, Georgia, South Carolina and Tennessee. Transportation service is rendered by Respondent for its local distribution customers, direct industrial customers, and other end-users, gas producers, other gas pipelines, and gas marketing and trading companies.

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

- (1) ☐ Yes... Enter the date when such independent accountant was initially engaged:
 (2) ☒ No

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
FOOTNOTE DATA			

Schedule Page: 102 Line No.: 4 Column: a

As of December 31, 2010, El Paso Corporation, through subsidiaries, owned 50.89% of El Paso Pipeline Partners, L.P.

Corporations Controlled by Respondent

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.
4. In column (b) designate type of control of the respondent as "D" for direct, an "I" for indirect, or a "J" for joint control.

DEFINITIONS

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary that exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Type of Control (b)	Kind of Business (c)	Percent Voting Stock Owned (d)	Footnote Reference (e)
1	SNG Finance Company, L.L.C.	D	Accounts receivable sales program	0	Not used
2	SNG Funding Company, L.L.C.	D	Accounts receivable sales program	100	Not used
3	Southern Natural Issuing Corporation	D	Financing	100	Not used
4	Bear Creek Storage Company, L.L.C.	J	Gas Storage	50	Not used
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
FOOTNOTE DATA			

Schedule Page: 103 Line No.: 1 Column: d

Effective January 15, 2010, SNG Finance Company, L.L.C. was merged into SNG Funding Company, L.L.C.

Schedule Page: 103 Line No.: 2 Column: d

Due to the merger of SNG Finance Company, L.L.C., ownership of this company was transferred to us effective January 15, 2010.

Schedule Page: 103 Line No.: 4 Column: a

We have a 50 percent ownership interest in Bear Creek Storage Company, L.L.C., a joint venture with Tennessee Gas Pipeline Company, our affiliate.

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes that each could cast on that date if a meeting were held. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the company did not close the stock book or did not compile a list of stockholders within one year prior to the end of the year, or if since it compiled the previous list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.
2. If any security other than stock carries voting rights, explain in a supplemental statement how such security became vested with voting rights and give other important details concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.
3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.
4. Furnish details concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets any officer, director, associated company, or any of the 10 largest security holders is entitled to purchase. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants,

1. Give date of the latest closing of the stock book prior to end of year, and, in a footnote, state the purpose of such closing:	2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy. Total: By Proxy:	3. Give the date and place of such meeting:
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Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
		4. Number of votes as of (date):			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
5	TOTAL votes of all voting securities				
6	TOTAL number of security holders				
7	TOTAL votes of security holders listed below				
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
FOOTNOTE DATA			

Schedule Page: 107 Line No.: 5 Column: b

See page 122, Notes to Financial Statements, Note 1, 'Company Business' for a description of ownership structure.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
Important Changes During the Quarter/Year			

Give details concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Answer each inquiry. Enter "none" or "not applicable" where applicable. If the answer is given elsewhere in the report, refer to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration and state from whom the franchise rights were acquired. If the franchise rights were acquired without the payment of consideration, state that fact.
 2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
 3. Purchase or sale of an operating unit or system: Briefly describe the property, and the related transactions, and cite Commission authorization, if any was required. Give date journal entries called for by Uniform System of Accounts were submitted to the Commission.
 4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.
 5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and cite Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service.
- Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Cite Commission authorization if any was required.
 7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
 8. State the estimated annual effect and nature of any important wage scale changes during the year.
 9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
 10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
 11. Estimated increase or decrease in annual revenues caused by important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.
 12. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
 13. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

1. None.

2. In January 2010, SNG Finance Company, L.L.C. (Finance) was merged into SNG Funding Company, L.L.C. (Funding). In conjunction with the merger of Finance, ownership of Funding was transferred to us.

3. On September 20, 2007 the FERC, in Docket Nos. CP06-474-000 and 001, authorized us to abandon by sale to Elba Express Company, L.L.C. (EEC) an undivided ownership interest equal to 945,000 Mcf/d capacity in our two parallel 30-inch pipelines extending from an interconnection between our pipeline and Southern LNG Company, L.L.C., at the tailgate of their liquified natural gas facility on Elba Island in Chatham County, Georgia to an interconnection of EEC's at our meter station at Port Wentworth in Chatham County, Georgia. Additionally, this order authorized us to acquire an undivided ownership interest equal to 500,000 Mcf/d in EEC's pipeline from Port Wentworth, Georgia to another interconnection at Rincon, Georgia. This sale to EEC and acquisition by us was completed on March 1, 2010. Journal entries were filed in a letter on August 25, 2010 to the Chief Accountant.

4. None.

5. None.

6. See page 122, Notes to Financial Statements, Note 8, 'Commitments and Contingencies'.

7. None.

8. None.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
Important Changes During the Quarter/Year			

9. See page 122, Notes to Financial Statements, Note 8, 'Commitments and Contingencies'.

10. None.

11. None.

12. In June 2010 and November 2010, El Paso SNG Holding Company, L.L.C. distributed through El Paso Corporation a 20% and 15% partnership interest, respectively, in us to EPPP SNG GP Holdings, L.L.C. Following the November 2010 acquisition, EPPP SNG GP Holdings, L.L.C. and El Paso SNG Holding Company, L.L.C. own a 40% partnership interest and 60% partnership interest, respectively.

Resignations:

Kenneth E. Hertel - Vice President of El Paso SNG Holding Company, L.L.C. - April 15, 2010
 Patrick A. Johnson - Vice President of El Paso SNG Holding Company, L.L.C. - June 8, 2010
 Norman G. Holmes - Senior Vice President and Chief Commercial Officer of El Paso SNG Holding Company, L.L.C. - August 1, 2010
 James C. Yardley - President of El Paso SNG Holding Company, L.L.C. - August 1, 2010
 Robert L. Perez - Vice President of El Paso SNG Holding Company, L.L.C. - November 1, 2010

Appointments:

Norman G. Holmes - President of El Paso SNG Holding Company, L.L.C. - August 1, 2010
 Bryan W. Neskora - Senior Vice President of El Paso SNG Holding Company, L.L.C. - August 1, 2010
 Craig V. Richardson - Vice President, General Counsel and Assistant Secretary of El Paso SNG Holding Company, L.L.C. - August 1, 2010

13. N/A.

Comparative Balance Sheet (Assets and Other Debits)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	3,531,626,462	3,537,943,405
3	Construction Work in Progress (107)	200-201	211,784,087	34,959,936
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	3,743,410,549	3,572,903,341
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		1,401,179,508	1,413,984,921
6	Net Utility Plant (Total of line 4 less 5)		2,342,231,041	2,158,918,420
7	Nuclear Fuel (120.1 thru 120.4, and 120.6)		0	0
8	(Less) Accum. Provision for Amort., of Nuclear Fuel Assemblies (120.5)		0	0
9	Nuclear Fuel (Total of line 7 less 8)		0	0
10	Net Utility Plant (Total of lines 6 and 9)		2,342,231,041	2,158,918,420
11	Utility Plant Adjustments (116)	122	0	0
12	Gas Stored-Base Gas (117.1)	220	124,804,891	124,804,891
13	System Balancing Gas (117.2)	220	19,657,185	19,657,185
14	Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)	220	0	0
15	Gas Owed to System Gas (117.4)	220	(3,036,311)	(7,608,868)
16	OTHER PROPERTY AND INVESTMENTS			
17	Nonutility Property (121)		85,959	85,959
18	(Less) Accum. Provision for Depreciation and Amortization (122)		20,333	20,333
19	Investments in Associated Companies (123)	222-223	0	191,484,021
20	Investments in Subsidiary Companies (123.1)	224-225	82,266,390	19,425,169
21	(For Cost of Account 123.1 See Footnote Page 224, line 40)			
22	Noncurrent Portion of Allowances		0	0
23	Other Investments (124)	222-223	0	0
24	Sinking Funds (125)		0	0
25	Depreciation Fund (126)		0	0
26	Amortization Fund - Federal (127)		0	0
27	Other Special Funds (128)		0	0
28	Long-Term Portion of Derivative Assets (175)		0	0
29	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
30	TOTAL Other Property and Investments (Total of lines 17-20, 22-29)		82,332,016	210,974,816
31	CURRENT AND ACCRUED ASSETS			
32	Cash (131)		398,272	1,000
33	Special Deposits (132-134)		0	0
34	Working Funds (135)		0	0
35	Temporary Cash Investments (136)	222-223	0	0
36	Notes Receivable (141)		0	0
37	Customer Accounts Receivable (142)		192,261	(954,419)
38	Other Accounts Receivable (143)		86,545	1,865,416
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		192,261	429,861
40	Notes Receivable from Associated Companies (145)		0	41,652,472
41	Accounts Receivable from Associated Companies (146)		3,988,508	8,357,854
42	Fuel Stock (151)		0	0
43	Fuel Stock Expenses Undistributed (152)		0	0

Comparative Balance Sheet (Assets and Other Debits)(continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
44	Residuals (Elec) and Extracted Products (Gas) (153)		0	0
45	Plant Materials and Operating Supplies (154)		15,968,185	14,509,145
46	Merchandise (155)		0	0
47	Other Materials and Supplies (156)		0	0
48	Nuclear Materials Held for Sale (157)		0	0
49	Allowances (158.1 and 158.2)		0	0
50	(Less) Noncurrent Portion of Allowances		0	0
51	Stores Expense Undistributed (163)		0	0
52	Gas Stored Underground-Current (164.1)	220	0	0
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	0	0
54	Prepayments (165)	230	432,307	933,211
55	Advances for Gas (166 thru 167)		0	0
56	Interest and Dividends Receivable (171)		0	0
57	Rents Receivable (172)		0	0
58	Accrued Utility Revenues (173)		0	0
59	Miscellaneous Current and Accrued Assets (174)		3,220,797	12,709,263
60	Derivative Instrument Assets (175)		0	0
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
62	Derivative Instrument Assets - Hedges (176)		0	0
63	(Less) Long-Term Portion of Derivative Instrument Assests - Hedges (176)		0	0
64	TOTAL Current and Accrued Assets (Total of lines 32 thru 63)		24,094,614	78,644,081
65	DEFERRED DEBITS			
66	Unamortized Debt Expense (181)		8,843,351	9,811,029
67	Extraordinary Property Losses (182.1)	230	0	0
68	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
69	Other Regulatory Assets (182.3)	232	57,510,039	39,757,193
70	Preliminary Survey and Investigation Charges (Electric)(183)		0	0
71	Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)		111,928	453,845
72	Clearing Accounts (184)		0	0
73	Temporary Facilities (185)		0	0
74	Miscellaneous Deferred Debits (186)	233	411,681,749	370,777,516
75	Deferred Losses from Disposition of Utility Plant (187)		0	0
76	Research, Development, and Demonstration Expend. (188)		0	0
77	Unamortized Loss on Reacquired Debt (189)		29,028,199	32,179,102
78	Accumulated Deferred Income Taxes (190)	234-235	8,622,366	22,617,458
79	Unrecovered Purchased Gas Costs (191)		0	0
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		515,797,632	475,596,143
81	TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)		3,105,881,068	3,060,986,668

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Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	0	0
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	0	0
7	Other Paid-In Capital (208-211)	253	1,015,037,614	1,015,037,614
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	565,494,276	533,753,019
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	3,238,537	26,272,014
13	(Less) Reacquired Capital Stock (217)	250-251	0	0
14	Accumulated Other Comprehensive Income (219)	117	0	0
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)		1,583,770,427	1,575,062,647
16	LONG TERM DEBT			
17	Bonds (221)	256-257	911,000,000	911,000,000
18	(Less) Reacquired Bonds (222)	256-257	0	0
19	Advances from Associated Companies (223)	256-257	0	0
20	Other Long-Term Debt (224)	256-257	0	0
21	Unamortized Premium on Long-Term Debt (225)	258-259	0	0
22	(Less) Unamortized Discount on Long-Term Debt-Dr (226)	258-259	1,134,866	1,247,230
23	(Less) Current Portion of Long-Term Debt		0	0
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)		909,865,134	909,752,770
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases-Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		0	0
29	Accumulated Provision for Pensions and Benefits (228.3)		2,942,208	7,164,132
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0

Comparative Balance Sheet (Liabilities and Other Credits)(continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		421,930	19,143,284
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		3,364,138	26,307,416
36	CURRENT AND ACCRUED LIABILITIES			
37	Current Portion of Long-Term Debt		0	0
38	Notes Payable (231)		0	0
39	Accounts Payable (232)		45,483,327	34,340,229
40	Notes Payable to Associated Companies (233)		12,440,250	0
41	Accounts Payable to Associated Companies (234)		35,833,514	53,091,096
42	Customer Deposits (235)		2,417,032	2,463,132
43	Taxes Accrued (236)	262-263	30,828,627	24,517,862
44	Interest Accrued (237)		18,503,610	18,466,874
45	Dividends Declared (238)		0	0
46	Matured Long-Term Debt (239)		0	0
47	Matured Interest (240)		0	0
48	Tax Collections Payable (241)		0	0
49	Miscellaneous Current and Accrued Liabilities (242)	268	12,135,835	1,786,017
50	Obligations Under Capital Leases-Current (243)		0	0
51	Derivative Instrument Liabilities (244)		0	0
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
53	Derivative Instrument Liabilities - Hedges (245)		0	0
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		157,642,195	134,665,210
56	DEFERRED CREDITS			
57	Customer Advances for Construction (252)		3,685,493	0
58	Accumulated Deferred Investment Tax Credits (255)		0	0
59	Deferred Gains from Disposition of Utility Plant (256)		0	0
60	Other Deferred Credits (253)	269	5,446,606	6,344,221
61	Other Regulatory Liabilities (254)	278	11,863,486	7,456,191
62	Unamortized Gain on Reacquired Debt (257)	260	0	0
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)		0	0
64	Accumulated Deferred Income Taxes - Other Property (282)		411,069,938	377,689,086
65	Accumulated Deferred Income Taxes - Other (283)		19,173,651	23,709,127
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		451,239,174	415,198,625
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		3,105,881,068	3,060,986,668

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Statement of Income

- Quarterly
1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.
 2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.
 3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.
 4. If additional columns are needed place them in a footnote.

Annual or Quarterly, if applicable

5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.
9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
11. Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
1	UTILITY OPERATING INCOME					
2	Gas Operating Revenues (400)	300-301	554,787,684	510,500,375	0	0
3	Operating Expenses					
4	Operation Expenses (401)	317-325	148,848,029	139,366,333	0	0
5	Maintenance Expenses (402)	317-325	30,111,779	37,802,463	0	0
6	Depreciation Expense (403)	336-338	52,264,704	50,508,421	0	0
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	1,298	1,091	0	0
8	Amortization and Depletion of Utility Plant (404-405)	336-338	5,560,831	4,633,138	0	0
9	Amortization of Utility Plant Acu. Adjustment (406)	336-338	2,283	13,700	0	0
10	Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1)		0	0	0	0
11	Amortization of Conversion Expenses (407.2)		0	0	0	0
12	Regulatory Debits (407.3)		777,753	(899,265)	0	0
13	(Less) Regulatory Credits (407.4)		24,315,223	4,807,112	0	0
14	Taxes Other than Income Taxes (408.1)	262-263	29,358,026	26,727,204	0	0
15	Income Taxes-Federal (409.1)	262-263	45,642,100	38,161,297	0	0
16	Income Taxes-Other (409.1)	262-263	8,891,910	6,058,538	0	0
17	Provision of Deferred Income Taxes (410.1)	234-235	88,846,982	72,056,937	0	0
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	46,614,771	37,404,258	0	0
19	Investment Tax Credit Adjustment-Net (411.4)		0	0	0	0
20	(Less) Gains from Disposition of Utility Plant (411.6)		0	0	0	0
21	Losses from Disposition of Utility Plant (411.7)		0	0	0	0
22	(Less) Gains from Disposition of Allowances (411.8)		0	0	0	0
23	Losses from Disposition of Allowances (411.9)		0	0	0	0
24	Accretion Expense (411.10)		34,455	379,173	0	0
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		339,410,156	332,597,660	0	0
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		215,377,528	177,902,715	0	0

Statement of Income(continued)						
Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)		215,377,528	177,902,715	0	0
28	OTHER INCOME AND DEDUCTIONS					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues form Merchandising, Jobbing and Contract Work (415)		0	0	0	0
32	(Less) Costs and Expense of Merchandising, Job & Contract Work (416)		0	0	0	0
33	Revenues from Nonutility Operations (417)		24,277	3,544,732	0	0
34	(Less) Expenses of Nonutility Operations (417.1)		(509,409)	68,869	0	0
35	Nonoperating Rental Income (418)		0	0	0	0
36	Equity in Earnings of Subsidiary Companies (418.1)	119	14,060,900	11,385,002	0	0
37	Interest and Dividend Income (419)		1,355,297	1,630,255	0	0
38	Allowance for Other Funds Used During Construction (419.1)		6,871,087	2,808,018	0	0
39	Miscellaneous Nonoperating Income (421)		0	256,295	0	0
40	Gain on Disposition of Property (421.1)		10,675	45,439	0	0
41	TOTAL Other Income (Total of lines 31 thru 40)		22,831,645	19,600,872	0	0
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		4,354	58,776	0	0
44	Miscellaneous Amortization (425)		0	0	0	0
45	Donations (426.1)	340	44,620	67,940	0	0
46	Life Insurance (426.2)		0	0	0	0
47	Penalties (426.3)		(46,573)	175,524	0	0
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		17,478	22,457	0	0
49	Other Deductions (426.5)		560,109	(2,736,192)	0	0
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	579,988	(2,411,495)	0	0
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other than Income Taxes (408.2)	262-263	0	0	0	0
53	Income Taxes-Federal (409.2)	262-263	6,830,389	(4,800,338)	0	0
54	Income Taxes-Other (409.2)	262-263	1,136,352	(762,054)	0	0
55	Provision for Deferred Income Taxes (410.2)	234-235	2,990,689	12,632,790	0	0
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	2,382,432	9,551,367	0	0
57	Investment Tax Credit Adjustments-Net (411.5)		0	0	0	0
58	(Less) Investment Tax Credits (420)		0	0	0	0
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		8,574,998	(2,480,969)	0	0
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		13,676,659	24,493,336	0	0
61	INTEREST CHARGES					
62	Interest on Long-Term Debt (427)		61,420,416	61,383,680	0	0
63	Amortization of Debt Disc. and Expense (428)	258-259	1,080,042	1,080,125	0	0
64	Amortization of Loss on Reacquired Debt (428.1)		3,150,903	3,154,333	0	0
65	(Less) Amortization of Premium on Debt-Credit (429)	258-259	0	0	0	0
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)		0	0	0	0
67	Interest on Debt to Associated Companies (430)	340	1,221	0	0	0
68	Other Interest Expense (431)	340	263,428	291,510	0	0
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		2,402,235	973,436	0	0
70	Net Interest Charges (Total of lines 62 thru 69)		63,513,775	64,936,212	0	0
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		165,540,412	137,459,839	0	0
72	EXTRAORDINARY ITEMS					
73	Extraordinary Income (434)		0	0	0	0
74	(Less) Extraordinary Deductions (435)		0	0	0	0
75	Net Extraordinary Items (Total of line 73 less line 74)		0	0	0	0
76	Income Taxes-Federal and Other (409.3)	262-263	0	0	0	0
77	Extraordinary Items after Taxes (Total of line 75 less line 76)		0	0	0	0
78	Net Income (Total of lines 71 and 77)		165,540,412	137,459,839	0	0

[illegible]**FERC FORM NO. 2 (REV 06-04)**

Statement of Accumulated Comprehensive Income and Hedging Activities(continued)

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges (Insert Category) (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 116, Line 78) (i)	Total Comprehensive Income (j)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

Statement of Retained Earnings

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
3. State the purpose and amount for each reservation or appropriation of retained earnings.
4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
5. Show dividends for each class and series of capital stock.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter Year to Date Balance (c)	Previous Quarter Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS			
1	Balance-Beginning of Period		533,753,019	508,072,201
2	Changes (Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)			
4	TOTAL Credits to Retained Earnings (Account 439) (footnote details)			
5	TOTAL Debits to Retained Earnings (Account 439) (footnote details)			
6	Balance Transferred from Income (Acct 433 less Acct 418.1)		151,479,512	126,074,837
7	Appropriations of Retained Earnings (Account 436)			
8	TOTAL Appropriations of Retained Earnings (Account 436) (footnote details)			
9	Dividends Declared-Preferred Stock (Account 437)			
10	TOTAL Dividends Declared-Preferred Stock (Account 437) (footnote details)			
11	Dividends Declared-Common Stock (Account 438)			
12	TOTAL Dividends Declared-Common Stock (Account 438) (footnote details)	238	156,832,632	113,854,381
13	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings		37,094,377	13,460,362
14	Balance-End of Period (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		565,494,276	533,753,019
15	APPROPRIATED RETAINED EARNINGS (Account 215)			
16	TOTAL Appropriated Retained Earnings (Account 215) (footnote details)			
17	APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account			
18	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account			
19	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1) (Total of lines			
20	TOTAL Retained Earnings (Accounts 215, 215.1, 216) (Total of lines 14 and 1		565,494,276	533,753,019
21	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
	Report only on an Annual Basis no Quarterly			
22	Balance-Beginning of Year (Debit or Credit)		26,272,014	28,347,374
23	Equity in Earnings for Year (Credit) (Account 418.1)		14,060,900	11,385,002
24	(Less) Dividends Received (Debit)		21,703,106	13,460,362
25	Other Changes (Explain)		(15,391,271)	
26	Balance-End of Year		3,238,537	26,272,014

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Schedule Page: 118 Line No.: 12 Column: c

Cash distributions of after-tax earnings to partners:

El Paso SNG Holding Company, L.L.C.	\$ 62,733,053
EPPP SNG GP Holdings, L.L.C.	<u>94,099,579</u>
Total	<u>\$156,832,632</u> =====

Schedule Page: 118 Line No.: 12 Column: d

Cash distributions of after-tax earnings to partners:

El Paso SNG Holding Company, L.L.C.	\$ 85,390,786
EPPP SNG GP Holdings, L.L.C.	<u>28,463,595</u>
Total	<u>\$113,854,381</u> =====

Schedule Page: 118 Line No.: 13 Column: c

Cash distributions from Bear Creek Storage Company, L.L.C.	\$ 21,703,106
Reclassify distribution of prior year earnings	<u>15,391,271</u>
Total	<u>\$ 37,094,377</u> =====

Schedule Page: 118 Line No.: 13 Column: d

Cash distributions from Bear Creek Storage Company, L.L.C.

Schedule Page: 118 Line No.: 25 Column: c

Reclassify distribution of prior year earnings.

Name of Respondent 20110413-8000 FERC PDF (Unofficial) 04/13/2011 Southern Natural Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2010/Q4
Statement of Cash Flows					
<p>(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.</p> <p>(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.</p> <p>(4) Investing Activities: Include at Other (line 25) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p>					
Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year		
1	Net Cash Flow from Operating Activities				
2	Net Income (Line 78(c) on page 116)	165,540,412	137,459,839		
3	Noncash Charges (Credits) to Income:				
4	Depreciation and Depletion	52,266,002	50,509,512		
5	Amortization of (Specify) (footnote details)	9,794,059	4,646,838		
6	Deferred Income Taxes (Net)	42,840,468	37,106,584		
7	Investment Tax Credit Adjustments (Net)				
8	Net (Increase) Decrease in Receivables	14,252,403	3,646,861		
9	Net (Increase) Decrease in Inventory	(1,459,040)	(533,049)		
10	Net (Increase) Decrease in Allowances Inventory				
11	Net Increase (Decrease) in Payables and Accrued Expenses	(8,563,937)	23,487,116		
12	Net (Increase) Decrease in Other Regulatory Assets	(21,728,642)	676,175		
13	Net Increase (Decrease) in Other Regulatory Liabilities	4,407,295	1,471,102		
14	(Less) Allowance for Other Funds Used During Construction	6,871,087	2,808,018		
15	(Less) Undistributed Earnings from Subsidiary Companies	(7,642,206)	(2,075,359)		
16	Other (footnote details):	(8,784,483)	(34,930,046)		
17	Net Cash Provided by (Used in) Operating Activities				
18	(Total of Lines 2 thru 16)	249,335,656	222,808,273		
19					
20	Cash Flows from Investment Activities:				
21	Construction and Acquisition of Plant (including land):				
22	Gross Additions to Utility Plant (less nuclear fuel)	(261,763,632)	(140,193,056)		
23	Gross Additions to Nuclear Fuel				
24	Gross Additions to Common Utility Plant				
25	Gross Additions to Nonutility Plant				
26	(Less) Allowance for Other Funds Used During Construction	(6,871,087)	(2,808,018)		
27	Other (footnote details):	168,655			
28	Cash Outflows for Plant (Total of lines 22 thru 27)	(254,723,890)	(137,385,038)		
29					
30	Acquisition of Other Noncurrent Assets (d)				
31	Proceeds from Disposal of Noncurrent Assets (d)		40,977,201		
32	Proceeds from Disposal of Fixed Assets	8,131,800			
33	Investments in and Advances to Assoc. and Subsidiary Companies	(39,707,650)			
34	Contributions and Advances from Assoc. and Subsidiary Companies				
35	Disposition of Investments in (and Advances to)				
36	Associated and Subsidiary Companies	162,653,066	(13,182,770)		
37	Proceeds from Sale of Assets/(Removal Cost)				
38	Purchase of Investment Securities (a)				
39	Proceeds from Sales of Investment Securities (a)				

Statement of Cash Flows (continued)

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
40	Loans Made or Purchased		
41	Collections on Loans		
42	Notes from Associated Companies		(552,472)
43	Net (Increase) Decrease in Receivables		
44	Net (Increase) Decrease in Inventory		1,189,187
45	Net (Increase) Decrease in Allowances Held for Speculation		
46	Net Increase (Decrease) in Payables and Accrued Expenses	19,100,672	
47	Other (footnote details):		
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47)	(104,546,002)	(108,953,892)
50			
51	Cash Flows from Financing Activities:		
52	Proceeds from Issuance of:		
53	Long-Term Debt (b)		
54	Preferred Stock		
55	Common Stock		
56	Other (footnote details):		
57	Net Increase in Short-term Debt (c)		
58	Note payable to associated company	12,440,250	
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	12,440,250	
60			
61	Payments for Retirement of:		
62	Long-Term Debt (b)		
63	Preferred Stock		
64	Common Stock		
65	Cash distribution of earnings to partners	(156,832,632)	(113,854,381)
66	Net Decrease in Short-Term Debt (c)		
67	Other Financing Equity Transaction		
68	Dividends on Preferred Stock		
69	Dividends on Common Stock		
70	Net Cash Provided by (Used in) Financing Activities		
71	(Total of lines 59 thru 69)	(144,392,382)	(113,854,381)
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	397,272	
75			
76	Cash and Cash Equivalents at Beginning of Period	1,000	1,000
77			
78	Cash and Cash Equivalents at End of Period	398,272	1,000

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Schedule Page: 120 Line No.: 5 Column: b

Amortization of intangible plant	\$ 5,560,831
Amortization of utility plant acquisition adjustments	2,283
Amortization of debt discount and expense	1,080,042
Amortization of loss on reacquired debt	3,150,903
Total	\$ 9,794,059
	=====

Schedule Page: 120 Line No.: 5 Column: c

Amortization of intangible plant	\$ 4,633,138
Amortization of utility plant acquisition adjustments	13,700
Total	\$ 4,646,838
	=====

Schedule Page: 120 Line No.: 16 Column: b

Change in prepayments	\$ 500,904
Change in miscellaneous deferred debits	(1,196,583)
Change in other deferred credits	(897,615)
Change in asset retirement obligations	1,603,292
Change in gas owed to system	(4,572,557)
Change in postretirement benefit plan assets	(4,221,924)
Total	\$ (8,784,483)
	=====

Schedule Page: 120 Line No.: 16 Column: c

Sale of plant assets	\$ 13,337
Change in other current assets	2,239,716
Change in unamortized debt expense	967,753
Change in property, plant and equipment	8,141,488
Change in other noncurrent assets	(28,509,520)
Change in other current liabilities	(6,242,863)
Change in unamortized debt discount	112,372
Change in other deferred credits	(4,150,022)
Change in asset retirement obligations	(3,154,171)
Change in unamortized loss on reacquired debt	3,891,854
Change in postretirement benefit plan assets	(8,239,990)
Total	\$ (34,930,046)
	=====

Schedule Page: 120 Line No.: 27 Column: b

Customer advances for construction	\$ (173,262)
Change in preliminary survey and investigation charges	341,917
Total	\$ 168,655
	=====

Schedule Page: 120 Line No.: 46 Column: b

This balance represents Construction Work in Progress and Vendor Retainage accruals previously reported as changes in operating activities on line 11.

Schedule Page: 120 Line No.: 65 Column: c

Cash distributions of earnings to partners of \$113,854,381 were previously reported on line 69.

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1. Provide important disclosures regarding the Balance Sheet, Statement of Income for the Year, Statement of Retained Earnings for the Year, and Statement of Cash Flow, or any account thereof. Classify the disclosures according to each financial statement, providing a subheading for each statement except where a disclosure is applicable to more than one statement. The disclosures must be on the same subject matters and in the same level of detail that would be required if the respondent issued general purpose financial statements to the public or shareholders.
2. Furnish details as to any significant contingent assets or liabilities existing at year end, and briefly explain any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or a claim for refund of income taxes of a material amount initiated by the utility. Also, briefly explain any dividends in arrears on cumulative preferred stock.
3. Furnish details on the respondent's pension plans, post-retirement benefits other than pensions (PBOP) plans, and post-employment benefit plans as required by instruction no. 1 and, in addition, disclose for each individual plan the current year's cash contributions. Furnish details on the accounting for the plans and any changes in the method of accounting for them. Include details on the accounting for transition obligations or assets, gains or losses, the amounts deferred and the expected recovery periods. Also, disclose any current year's plan or trust curtailments, terminations, transfers, or reversions of assets. Entities that participate in multiemployer postretirement benefit plans (e.g. parent company sponsored pension plans) disclose in addition to the required disclosures for the consolidated plan, (1) the amount of cost recognized in the respondent's financial statements for each plan for the period presented, and (2) the basis for determining the respondent's share of the total plan costs.
4. Furnish details on the respondent's asset retirement obligations (ARO) as required by instruction no. 1 and, in addition, disclose the amounts recovered through rates to settle such obligations. Identify any mechanism or account in which recovered funds are being placed (i.e. trust funds, insurance policies, surety bonds). Furnish details on the accounting for the asset retirement obligations and any changes in the measurement or method of accounting for the obligations. Include details on the accounting for settlement of the obligations and any gains or losses expected or incurred on the settlement.
5. Provide a list of all environmental credits received during the reporting period.
6. Provide a summary of revenues and expenses for each tracked cost and special surcharge.
7. Where Account 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these item. See General Instruction 17 of the Uniform System of Accounts.
8. Explain concisely any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
9. Disclose details on any significant financial changes during the reporting year to the respondent or the respondent's consolidated group that directly affect the respondent's gas pipeline operations, including: sales, transfers or mergers of affiliates, investments in new partnerships, sales of gas pipeline facilities or the sale of ownership interests in the gas pipeline to limited partnerships, investments in related industries (i.e., production, gathering), major pipeline investments, acquisitions by the parent corporation(s), and distributions of capital.
10. Explain concisely unsettled rate proceedings where a contingency exists such that the company may need to refund a material amount to the utility's customers or that the utility may receive a material refund with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects and explain the major factors that affect the rights of the utility to retain such revenues or to recover amounts paid with respect to power and gas purchases.
11. Explain concisely significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and summarize the adjustments made to balance sheet, income, and expense accounts.
12. Explain concisely only those significant changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.
13. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
14. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
15. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

1. Company Business

We are a Delaware general partnership, originally formed in 1935 as a corporation. We are owned 60 percent by EPPP SNG GP Holdings, L.L.C., a subsidiary of El Paso Pipeline Partners, L.P. (EPB), a master limited partnership of El Paso Corporation (El Paso), and 40 percent by El Paso SNG Holding Company, L.L.C., a wholly owned subsidiary of El Paso. In 2010, EPB acquired an additional 35 percent interest (20 percent in June and 15 percent in November) in us from El Paso. Additionally, in March 2011, EPB acquired an additional 25 percent interest in us from El Paso. Following the 2011 acquisition, EPB, through affiliates, owns an 85 percent partnership interest in us.

Our natural gas transmission system and storage operations are subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC) under the Natural Gas Act of 1938, the Natural Gas Policy Act of 1978, and the Energy Policy Act of 2005. We operate under a FERC-approved tariff, which establishes rates, cost recovery mechanisms,

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and other terms and conditions of services to our customers. The fees or rates established under our tariff are a function of our costs of providing services to our customers, including a reasonable return on our invested capital.

Our pipeline system consists of approximately 7,600 miles of pipeline with a design capacity of 3,700 MMcf/d. This system extends from supply basins in Texas, Louisiana, Mississippi, Alabama and the Gulf of Mexico to market areas in Louisiana, Mississippi, Alabama, Florida, Georgia, South Carolina and Tennessee, including the metropolitan areas of Atlanta and Birmingham. We are the principal natural gas transporter to the southeastern markets in Alabama, Georgia and South Carolina. Our system is also connected to the Elba Island LNG terminal near Savannah, Georgia. This terminal is owned by EPB and has a peak send-out capacity of approximately 1.8 Bcf/d and a storage capacity of 11.5 Bcfe. We are also connected to the recently completed Elba Express Pipeline which is also wholly-owned by EPB.

Along our pipeline system, we own and operate 100 percent of the Muldon storage facility in Monroe County, Mississippi and own a 50 percent interest in and operate the Bear Creek Storage Company, L.L.C. (Bear Creek) in Bienville Parish, Louisiana. Bear Creek is a joint venture equally owned by us and our affiliate, Tennessee Gas Pipeline Company (TGP). Our interest in Bear Creek and the Muldon storage facilities have a combined working natural gas storage capacity of 60 Bcf and peak withdrawal capacity of 1.2 Bcf/d. We provide storage services to our customers utilizing the Bear Creek and the Muldon storage facilities at our FERC tariff rate. The working storage capacity at the Bear Creek facility is fully committed equally to TGP and us.

2. Basis of Presentation

These financial statements were prepared in accordance with the accounting requirements of the FERC as set forth in its Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP). As a result, the following disclosures may not be consistent with the disclosures in the annual report on Form 10-K. We have evaluated subsequent events through the date our financial statements were available to be issued on April 12, 2011.

The most significant differences between GAAP and the financial statements presented herein are: (i) the deferral of certain costs and revenues, (ii) the classification of certain accounts in our financial statements, (iii) subsidiaries are reflected on the equity method whereas GAAP requires that all controlled subsidiaries be consolidated, and (iv) the inclusion and classification of income taxes in a partnership's financial statements.

Certain reclassifications having no impact on net income have been made to historical amounts to conform to current year presentation. Cash distributions of earnings to partners on our statement of cash flows have been reclassified to conform to the current year presentation.

3. Summary of Significant Accounting Policies

Use of Estimates

The preparation of our financial statements requires the use of estimates and assumptions that affect the amounts we report as assets, liabilities, revenues and expenses and our disclosures in these financial statements. Actual results can, and often do, differ from those estimates.

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Investments in Subsidiaries

The equity method of accounting is used for investments in subsidiaries.

Cash and Cash Equivalents

We consider short-term investments with an original maturity of less than three months to be cash equivalents.

Allowance for Doubtful Accounts

We establish provisions for losses on accounts receivable and for natural gas imbalances due from shippers and operators if we determine that we will not collect all or part of the outstanding balance. We regularly review collectability and establish or adjust our allowance as necessary using the specific identification method.

Materials and Supplies

We value materials and supplies at the lower of cost or market value with cost determined using the average cost method.

Natural Gas Imbalances

Natural gas imbalances occur when the amount of natural gas delivered from or received by a pipeline system or storage facility differs from the contractual amount to be delivered or received. We value these imbalances due to or from shippers and operators at specified index prices. Imbalances are settled either as cash outs or in-kind, subject to the terms of our tariff.

Imbalances due from others are reported in our balance sheet as part of Account 174 'Miscellaneous Current and Accrued Assets'. Imbalances owed to others are reported on the balance sheet as part of Account 242 'Miscellaneous Current and Accrued Liabilities'. We classify all imbalances as current as we expect to settle them within a year.

Property, Plant and Equipment

Our property, plant and equipment is recorded at its original cost of construction or, upon acquisition, at either the fair value of the assets acquired or the cost to the entity that first placed the asset in service. For assets we construct, we capitalize direct costs, such as labor and materials, and indirect costs, such as overhead, interest and an equity return component, as allowed by the FERC. We capitalize major units of property replacements or improvements and expense minor items.

We use the composite (group) method to depreciate property, plant and equipment. Under this method, assets with similar useful lives and other characteristics are grouped and depreciated as one asset. We apply the depreciation rate approved in our rate settlements to the total cost of the group until its net book value equals its salvage value. For certain general plant, we depreciate the asset to zero. We re-evaluate depreciation rates each time we file with the FERC for a change in our transportation and storage rates. Currently, our depreciation rates vary from less than one percent to 20 percent per year.

When we retire property, plant and equipment, we charge accumulated depreciation and amortization for the original cost of the assets in addition to the cost to remove, sell, or dispose of the assets, less their salvage value. We do not recognize a gain or loss unless we sell or retire an entire operating unit, as defined by the FERC. We include gains or losses on dispositions of operating units in other income.

Included in our property balances are base gas and working gas at our storage

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facilities. We periodically evaluate natural gas volumes at our storage facilities for gas losses. When events or circumstances indicate a loss has occurred, we recognize a loss in our income statement or defer the loss as a regulatory asset on our balance sheet if deemed probable of recovery through future rates charged to our customers.

We capitalize a carrying cost (an allowance for funds used during construction) on debt and equity funds related to our construction of long-lived assets. This carrying cost consists of a return on the investment financed by debt and a return on the investment financed by equity. The debt portion is calculated based on our average cost of debt. These debt amounts are included as a reduction to interest charges in our income statement. The equity portion is calculated using the most recent FERC-approved equity rate of return. These equity amounts are included as other income on our income statements.

Asset and Investment Divestitures/Impairments

We evaluate assets and investments for impairment when events or circumstances indicate that their carrying values may not be recovered. These events include market declines that are believed to be other than temporary, changes in the manner in which we intend to use a long-lived asset, decisions to sell an asset or investment and adverse changes in the legal or business environment such as adverse actions by regulators. When an event occurs, we evaluate the recoverability of our carrying value based on either (i) our long-lived asset's ability to generate future cash flows on an undiscounted basis or (ii) the fair value of the investment in an unconsolidated affiliate. If an impairment is indicated, or if we decide to sell a long-lived asset or group of assets, we adjust the carrying value of the asset downward, if necessary, to its estimated fair value. Our fair value estimates are generally based on market data obtained through the sales process or an analysis of expected discounted cash flows.

Distributions to Partners

We record distributions of pretax earnings to our partners as: (i) a reduction of proprietary capital for amounts equivalent to historical net income, (ii) a reduction of the associated current income taxes payable and (iii) an adjustment to Account 186 'Miscellaneous Deferred Debits' representing advances to our partners for the associated deferred taxes not yet payable.

Revenue Recognition

Our revenues are primarily generated from natural gas transportation and storage services. Revenues for all services are based on the thermal quantity of gas delivered or subscribed at a price specified in the contract. For our transportation and storage services, we recognize reservation revenues on firm contracted capacity over the contract period regardless of the amount of natural gas that is transported or stored. For interruptible or volumetric-based services, we record revenues when physical deliveries of natural gas are made at the agreed upon delivery point or when gas is injected or withdrawn from the storage facility. For contracts with step-up or step-down rate provisions that are not related to changes in levels of service, we recognize reservation revenues ratably over the contract life. We are subject to FERC regulations and, as a result, revenues we collect may be subject to refund in a rate proceeding. We establish reserves for these potential refunds.

Environmental Costs and Other Contingencies

Environmental Costs. We record liabilities at their undiscounted amounts on our balance sheet in Account 242, 'Miscellaneous Current and Accrued Liabilities' and Account 253, 'Other Deferred Credits' when environmental assessments indicate that remediation efforts are probable and the costs can be reasonably estimated. Estimates of our liabilities are based on currently available facts, existing technology and presently

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enacted laws and regulations, taking into consideration the likely effects of other societal and economic factors, and include estimates of associated legal costs. These amounts also consider prior experience in remediating contaminated sites, other companies' clean-up experience and data released by the Environmental Protection Agency (EPA) or other organizations. Our estimates are subject to revision in future periods based on actual costs or new circumstances. We capitalize costs that benefit future periods and we recognize a current period charge in operation and maintenance expense when clean-up efforts do not benefit future periods.

We evaluate any amounts paid directly or reimbursed by government sponsored programs and potential recoveries or reimbursements of remediation costs from third parties, including insurance coverage, separately from our liability. Recovery is evaluated based on the creditworthiness or solvency of the third party, among other factors. When recovery is assured, we record and report an asset separately from the associated liability on our balance sheet.

Other Contingencies. We recognize liabilities for other contingencies when we have an exposure that, when fully analyzed, indicates it is both probable that a liability has been incurred and the amount of loss can be reasonably estimated. Where the most likely outcome of a contingency can be reasonably estimated, we accrue a liability for that amount. Where the most likely outcome cannot be estimated, a range of potential losses is established and if no one amount in that range is more likely than any other, the low end of the range is accrued.

Income Taxes

Income taxes are the responsibility of the partners and are generally not reflected in the financial statements of partnerships. Our approved rates, however, include an allowance for income taxes, calculated as if we were a corporation, and FERC requires that we record such taxes in the partnership records to reflect the income taxes payable by the partners as a result of our operations. Income taxes are recorded without regard to whether the partners can utilize their share of our deductions.

We record current income taxes based on our taxable income and we provide for deferred income taxes to reflect estimated future tax payments and receipts. Deferred taxes represent the tax impacts of differences between the financial statement and tax bases of assets and liabilities and carryovers at each year end. We account for tax credits under the flow-through method, which reduces the provision for income taxes in the year the tax credits first become available. We reduce deferred tax assets by a valuation allowance when, based on our estimates, it is more likely than not that a portion of those assets will not be realized in a future period. The estimates utilized in the recognition of deferred tax assets are subject to revision, either up or down, in future periods based on new facts or circumstances.

We are required to evaluate our tax positions for all jurisdictions and for all years where the statute of limitations has not expired and we are required to meet a more-likely-than-not threshold (i.e. a greater than 50 percent likelihood of a tax position being sustained under examination) prior to recording a tax benefit. Additionally, for tax positions meeting this more-likely-than-not threshold, the amount of benefit is limited to the largest benefit that has a greater than 50 percent probability of being realized upon effective settlement.

Accounting for Asset Retirement Obligations

We have legal obligations associated with the retirement of our natural gas pipeline, transmission facilities and storage wells. We have obligations to plug storage wells when we no longer plan to use them and when we abandon them. Our legal obligations associated with our natural gas transportation facilities primarily involve purging and sealing the pipeline if it is abandoned. We also have obligations to remove hazardous

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materials associated with our natural gas transmission facilities if these facilities are ever demolished or replaced. To the extent that the retirement obligation would not be considered as a normal cost of removal, chargeable to accumulated depreciation under composite depreciation, we accrue a liability for legal obligations based on the estimate of the timing and amount of their settlement.

We record a liability for legal obligations associated with the replacement, removal or retirement of our long-lived assets in the period the obligation is incurred. Our asset retirement liabilities are initially recorded at their estimated fair value with a corresponding increase to property, plant and equipment. This increase in property, plant and equipment is then depreciated over the useful life of the asset to which that liability relates. An ongoing expense is recognized for changes in the value of the liability as a result of the passage of time, which we record as depreciation and amortization expense in our income statement. We have the ability to recover certain of these costs from our customers and have recorded an asset associated with the accretion of the liabilities described above.

We are required to operate and maintain our natural gas pipelines and storage system, and intend to do so as long as supply and demand for natural gas exists, which we expect for the foreseeable future. Therefore, we believe that we cannot reasonably estimate the asset retirement obligation for the substantial majority of our natural gas pipelines and storage system assets because these assets have indeterminable lives. Our asset retirement liabilities are recorded in account 230 'Asset Retirement Obligations'. We continue to evaluate our asset retirement obligations and future developments could impact the amounts we record.

Where we can reasonably estimate the asset retirement obligation, we accrue a liability based on an estimate of the timing and amount of settlement. In estimating our asset retirement obligations, we utilize several assumptions, including a projected inflation rate of 2.5 percent, and credit-adjusted discount rates that currently range from five to 12 percent based on when the liabilities were recorded. We record changes in estimates based on changes in the expected amount and timing of payments to settle our obligations. We intend on operating and maintaining our natural gas pipeline and storage systems as long as supply and demand for natural gas exists, which we expect for the foreseeable future. Therefore, we believe that we cannot reasonably estimate the asset retirement obligation for the substantial majority of our natural gas pipeline and storage system assets because these assets have indeterminate lives.

The net asset retirement obligation as of December 31 reported on our balance sheets in account 230 'Asset Retirement Obligations' and the changes in the net liability for the years ended December 31 were as follows:

	2010	2009
Net asset retirement obligation at January 1	\$ 19	\$ 20
Liabilities settled.	(20)	-
Accretion expense.	1	2
Changes in estimates	-	(3)
Net asset retirement obligation at December 31	<u>\$ -</u>	<u>\$ 19</u>

Postretirement Benefits

We maintain a postretirement benefit plan covering certain of our former employees. This plan requires us to make contributions to fund the benefits to be paid under the plan. These contributions are invested until the benefits are paid to plan participants. The net benefit cost of this plan is recorded in our income statement and is a function of many factors including benefits earned during the year by plan participants (which is a function of factors such as the level of benefits provided under the plan, actuarial assumptions and the passage of time), expected returns on plan assets and amortization of certain deferred gains and losses. For a further discussion of our policies with respect

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to our postretirement benefit plan, see Note 9.

In accounting for our postretirement benefit plan, we record an asset or liability based on the over funded or under funded status of the plan. Any deferred amounts related to unrecognized gains and losses or changes in actuarial assumptions are recorded either as a regulatory asset or liability.

4. Acquisition/Divestiture

In 2010, we purchased certain pipeline construction work in progress from Elba Express Company, L.L.C. (Elba Express), our affiliate, for \$18 million and sold certain pipeline assets to Elba Express for \$8 million. We recorded both the purchase and sale at their historical costs.

5. Income Taxes

Components of Income Tax Expense. The following table reflects the components of income tax expense included in net income for each of the two years ended December 31 (in millions):

	2010	2009
Current:		
Federal.	\$ 53	\$ 33
State.	10	5
	<u>63</u>	<u>38</u>
Deferred:		
Federal.	37	32
State.	6	6
	<u>43</u>	<u>38</u>
Total income tax expense.	<u>\$ 106</u>	<u>\$ 76</u>

Effective Tax Rate Reconciliation. Our income tax expense differs from the amount computed by applying the statutory federal income tax rate of 35 percent for the following reasons for each of the two years ended December 31, (in millions):

	2010	2009
Tax expense at the statutory federal rate of 35%	\$ 95	\$ 75
Increase (decrease):		
State income tax, net of federal income tax benefit.	11	7
Earnings from subsidiaries taxed at subsidiary level	-	(4)
Other.	-	(2)
Total income tax expense	<u>\$ 106</u>	<u>\$ 76</u>
Effective tax rate	<u>39%</u>	<u>38%</u>

Deferred Tax Assets and Liabilities. The following are the components of our net deferred tax liability at December 31 (in millions):

	2010	2009
Deferred tax liabilities:		
Property, plant and equipment.	\$ 411	\$ 376
Other.	19	25
Total deferred tax liabilities.	<u>430</u>	<u>401</u>
Deferred tax assets:		
Other.	8	22
Net deferred tax liability.	<u>\$ 422</u>	<u>\$ 379</u>

We believe it is more likely than not that we will realize the benefit of our

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deferred tax assets due to expected future taxable income, including the effect of future reversals of existing taxable temporary differences primarily related to depreciation.

6. Fair Value of Financial Instruments

At December 31, 2010 and 2009, the carrying amounts of cash and cash equivalents and trade receivables and payables represented their fair value because of the short-term nature of these instruments. At December 31, 2010 we had a note payable to EPB of approximately \$12 million with a variable interest rate of 0.8%. At December 31, 2009, we had an interest bearing note receivable from El Paso of approximately \$154 million due upon demand, with a variable interest rate of 1.5%. While we are exposed to changes in interest expense based on changes to the variable interest rate, the fair value of this note receivable approximates its carrying value due to the note being payable on demand and the market-based nature of the interest rate.

In addition, the carrying amounts of our long-term debt and their estimated fair values, which are based on quoted market prices for the same or similar issues, are as follows at December 31 (in millions):

	2010		2009	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt.	\$ 910	\$ 984	\$ 910	\$ 977

7. Debt and Credit Facilities

Debt. Our long-term debt consisted of the following at December 31 (in millions):

	2010	2009
5.90% Notes due April 2017.	\$ 500	\$ 500
7.35% Notes due February 2031	153	153
8.0% Notes due March 2032	258	258
	911	911
Less: Unamortized discount	1	1
Total long-term debt.	<u>\$ 910</u>	<u>\$ 910</u>

Under our indentures, we are subject to a number of restrictions and covenants. The most restrictive of these include limitations on the incurrence of liens. Our long-term debt contains cross-acceleration provisions, the most restrictive of which is a \$10 million cross-acceleration clause. If triggered, repayment of the long-term debt that contains these provisions could be accelerated. For the year ended December 31, 2010, we were in compliance with our debt-related covenants.

8. Commitments and Contingencies

Legal Proceedings

We and our affiliates are named defendants in numerous legal proceedings and claims that arise in the ordinary course of our business. For each of these matters, we evaluate the merits of the case, our exposure to the matter, possible legal or settlement strategies and the likelihood of an unfavorable outcome. If we determine that an unfavorable outcome is probable and can be estimated, we establish the necessary accruals. While the outcome of these matters, including those discussed above, cannot be predicted with certainty, and there are still uncertainties related to the costs we may incur, based upon our evaluation and experience to date, we believe we have established appropriate

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reserves for these matters. It is possible, however, that new information or future developments could require us to reassess our potential exposure related to these matters and adjust our accruals accordingly, and these adjustments could be material. At December 31, 2010, we had approximately \$2 million accrued for our outstanding legal matters.

Environmental Matters

We are subject to federal, state and local laws and regulations governing environmental quality and pollution control. These laws and regulations require us to remove or remedy the effect of the disposal or release of specified substances at current and former operating sites. At December 31, 2010, we accrued less than \$1 million for our environmental matters, and at December 31, 2009, we accrued approximately \$1 million for expected remediation costs and associated onsite, offsite and groundwater technical studies.

Our environmental remediation projects are in various stages of completion. Our recorded liabilities reflect our current estimates of amounts we will spend to remediate these sites. However, depending on the stage of completion or assessment, the ultimate extent of contamination or remediation required may not be known. As additional assessments occur or remediation efforts continue, we may incur additional liabilities.

Superfund Matters. Included in our recorded environmental liabilities are projects where we have received notice that we have been designated or could be designated as a Potentially Responsible Party (PRP) under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), commonly known as Superfund, or state equivalents for one active site. Liability under the federal CERCLA statute may be joint and several, meaning that we could be required to pay in excess of our pro rata share of remediation costs. We consider the financial strength of other PRPs in estimating our liabilities.

We expect to make capital expenditures for environmental matters of approximately \$3 million in the aggregate for 2011 through 2015, including capital expenditures associated with the impact of the EPA rule on emissions of hazardous air pollutants from reciprocating internal combustion engines which are subject to regulations with which we have to be in compliance by October 2013.

It is possible that new information or future developments could require us to reassess our potential exposure related to environmental matters. We may incur significant costs and liabilities in order to comply with existing environmental laws and regulations. It is also possible that other developments, such as increasingly strict environmental laws, regulations and orders of regulatory agencies, as well as claims for damages to property and the environment or injuries to other persons resulting from our current or past operations, could result in substantial costs and liabilities in the future. As this information becomes available, or other relevant developments occur, we will adjust our accrual amounts accordingly. While there are still uncertainties related to the ultimate costs we may incur, based upon our evaluation and experience to date, we believe our reserves are adequate.

Rates and Regulatory Matter

Rate Case. In January 2010, the FERC approved our settlement in which we (i) increased our base tariff rates effective September 1, 2009, (ii) implemented a volume tracker for gas and electricity used in operations, (iii) agreed to file our next general rate case to be effective after August 31, 2012, but no later than September 1, 2013, and (iv) extended the vast majority of our firm transportation contracts until August 31, 2013. As part of the settlement, we netted any amounts owed to us by our customers for the period September 1, 2009 through February 28, 2010 against any fuel sharing refunds owed to our customers for the period March 1, 2009 through August 31, 2009. The positive remaining balance (from this netting) owed to our customers of \$1.2 million was credited to the balance of fuel costs reflected in our annual fuel

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tracker filed in February 2011 pursuant to the terms of the settlement.

Fuel Recovery Mechanism. In January 2010, the FERC approved our rate case settlement in which we implemented a volume tracker effective September 1, 2009 for gas and electricity used in operations. This volume tracker converts the costs of electricity used for our electric compression to a Dth equivalent amount. Pursuant to the terms of the settlement, an annual filing is to be made to update the fuel retention rates, with the first such filing made on February 28, 2011. Our tariff provides that the difference between the quantity of fuel retained and the amount of fuel and electricity used in operations and lost and unaccounted for will be flowed-through or charged to shippers by including such difference in the calculation of updating the fuel retention rates in the annual fuel tracker filing. At December 31, 2010, we had net regulatory deferrals of \$13 million related to the provisions of this tracker.

Other Commitments

Capital Commitments. At December 31, 2010, we had capital commitments of approximately \$27 million primarily related to our South System III and Southeast Supply Header Phase II projects, all of which is expected to be spent in 2011. During 2009, we entered into an approximately \$57 million letter of credit associated with our estimated construction costs related to our Southeast Supply Header project. As invoices are paid under the contract, we are able to reduce the value of the letter of credit. At December 31, 2010, the letter of credit has been reduced to approximately \$31 million. We have other planned capital and investment projects that are discretionary in nature, with no substantial contractual capital commitments made in advance of the actual expenditures.

Other Commitments. We have entered into unconditional commitments primarily for storage services, totaling approximately \$14 million at December 31, 2010. Our annual obligations under these purchase obligations are \$11 million in 2011, \$1 million in 2012, and \$2 million in 2013. We also hold cancelable easements or rights-of-way arrangements from landowners permitting the use of land for the construction and operation of our pipeline system. Currently, our obligations under these easements are not material to the results of our operations.

Operating Leases. We lease property, facilities and equipment under various operating leases. Our primary commitment under operating leases is the lease of our office space in Birmingham, Alabama. El Paso guarantees our obligations under these lease agreements. Future minimum annual rental commitments under our operating leases at December 31, 2010, were as follows:

Year Ending December 31,	
2011.	\$ 3
2012.	3
2013.	3
2014.	3
2015.	3
Thereafter.	5
Total	<u>\$ 20</u>

Rent expense on our lease obligations for each of the years ended December 31, 2010 and 2009 was \$4 million. These amounts include our share of rent allocated to us from El Paso.

Guarantees. We are or have been involved in various ownership and other contractual arrangements that sometimes require us to provide additional financial support that results in the issuance of performance guarantees that are not recorded in our financial statements. In a performance guarantee, we provide assurance that the guaranteed party will execute on the terms of the contract. As of December 31, 2009, we had performance guarantees related to construction contracts held by Southern LNG Company, L.L.C. and Elba

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Express, our affiliates. These guarantees expired in 2010, upon completion of the construction contracts.

9. Retirement Benefits

Pension and Retirement Savings Plans. El Paso maintains a pension plan and a retirement savings plan covering substantially all of its U.S. employees, including our former employees. The benefits under the pension plan are determined under a cash balance formula. Under its retirement savings plan, El Paso matches 75 percent of participant basic contributions up to six percent of eligible compensation and can make additional discretionary matching contributions depending on El Paso's operating performance relative to its peers. El Paso is responsible for benefits accrued under its plans and allocates the related costs to its affiliates.

Postretirement Benefits Plan. We provide postretirement medical benefits for a closed group of retirees. These benefits may be subject to deductibles, co-payment provisions, and other limitations and dollar caps on the amount of employer costs and El Paso reserves the right to change these benefits. Employees in this group who retire after June 30, 2000 continue to receive limited postretirement life insurance benefits. Our postretirement benefit plan costs are prefunded to the extent these costs are recoverable through our rates. To the extent actual costs differ from the amounts recovered in rates, a regulatory asset or liability is recorded. We expect to contribute \$1 million to our postretirement benefit plan in 2011.

Accumulated Postretirement Benefit Obligation, Plan Assets and Funded Status. In accounting for our postretirement benefit plan, we record an asset or liability based on the over funded or under funded status. Any deferred amounts related to unrecognized gains and losses or changes in actuarial assumptions are recorded either as a regulatory asset or liability as allowed by the FERC.

The table below provides information about our postretirement benefit plan (in millions):

	December 31,	
	2010	2009
Change in accumulated postretirement benefit obligation:		
Accumulated postretirement benefit obligation - beginning of period	\$ 59	\$ 61
Interest cost	3	4
Participant contributions	1	1
Actuarial gain.	(1)	(1)
Benefits paid (1)	(4)	(6)
Accumulated postretirement benefit obligation - end of period	<u>\$ 58</u>	<u>\$ 59</u>
Change in plan assets:		
Fair value of plan assets - beginning of period	\$ 52	\$ 46
Actual return on plan assets.	5	8
Employer contributions.	1	4
Participant contributions	1	-
Benefits paid	(4)	(6)
Fair value of plan assets - end of period	<u>\$ 55</u>	<u>\$ 52</u>
Reconciliation of funded status:		
Fair value of plan assets	\$ 55	\$ 52
Less: accumulated postretirement benefit obligation	58	59
Net asset at December 31.	<u>\$ (3)</u>	<u>\$ (7)</u>

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- (1) Amounts shown net of subsidy of less than \$1 million for each of the years ended December 31, 2010 and 2009 related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003.

Plan Assets. The primary investment objective of our plan is to ensure that, over the long-term life of the plan, an adequate pool of sufficiently liquid assets exists to meet the benefit obligations to retirees and beneficiaries. Investment objectives are long-term in nature covering typical market cycles. Any shortfall of investment performance compared to investment objectives is generally the result of economic and capital market conditions. Although actual allocations vary from time to time from our targeted allocations, the target allocations of our postretirement plan's assets are 65 percent equity and 35 percent fixed income securities. We may invest plan assets in a manner that replicates, to the extent feasible, the Russell 3000 Index and the Barclays Capital Aggregate Bond Index to achieve equity and fixed income diversification, respectively.

We use various methods to determine the fair values of the assets in our other postretirement benefit plan, which are impacted by a number of factors, including the availability of observable market data over the contractual term of the underlying assets. We separate these assets into three levels (Level 1, 2 and 3) based on our assessment of the availability of this market data and the significance of non-observable data used to determine the fair value of these assets. As of December 31, 2010, assets were comprised of an exchange-traded mutual fund with a fair value of \$3 million and common collective trust funds with a fair value of \$52 million. As of December 31, 2009, assets were comprised of an exchange-traded mutual fund with a fair value of \$2 million and common collective trust funds with a fair value of \$50 million. Our exchange-traded mutual fund invests primarily in dollar-denominated securities, and its fair value (which is considered a Level 1 measurement) is determined based on the price quoted for the fund in actively traded markets. Our common collective trust funds are invested in approximately 65 percent equity and 35 percent fixed income securities, and their fair values (which are considered Level 2 measurements) are determined primarily based on the net asset value reported by the issuer, which is based on similar assets in active markets. Certain restrictions on withdrawals exist for these common collective trust funds where the issuer reserves the right to temporarily delay withdrawal in certain situations such as market conditions or at the issuer's discretion. We do not have any assets that are considered Level 3 measurements. The methods described above may produce a fair value that may not be indicative of net realizable value or reflective of future fair values, and there have been no changes in the methodologies used at December 31, 2010 and 2009.

Expected Payment of Future Benefits. As of December 31, 2010, we expect the following benefit payments under our plan (in millions):

Year Ending December 31,	Expected Payments(1)
2011.	\$ 4
2012.	4
2013.	4
2014.	4
2015.	4
2016 - 2020	21

- (1) Includes a reduction of less than \$1 million in each of the years 2011 - 2015 and approximately \$4 million in aggregate for 2016 - 2020 for an expected subsidy related to the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.

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Actuarial Assumptions and Sensitivity Analysis. Accumulated postretirement benefit obligations and net benefit costs are based on actuarial estimates and assumptions. The following table details the weighted average actuarial assumptions used in determining our postretirement plan obligations and net benefit costs for 2010 and 2009:

	<u>2010</u>	<u>2009</u>
	(Percent)	
Assumptions related to benefit obligations at December 31:		
Discount rate	4.92	5.51
Assumptions related to benefit costs at December 31:		
Discount rate	5.51	6.00
Expected return on plan assets(1)	7.75	8.00

- (1) The expected return on plan assets is a pre-tax rate of return based on our targeted portfolio of investments. Our postretirement benefit plan's investment earnings are subject to unrelated business income taxes at a rate of 35%. The expected return on plan assets for our postretirement benefit plan is calculated using the after-tax rate of return.

Actuarial estimates for our postretirement benefits plan assumed a weighted average annual rate of increase in the per capita costs of covered health care benefits of 7.4 percent, gradually decreasing to 5.0 percent by the year 2016. Assumed health care cost trends can have a significant effect on the amounts reported for our postretirement benefit plan. A one-percentage point change would not have had a significant effect on interest costs in 2010 or 2009. A one-percentage point change in assumed health care cost trends would have the following effect as of December 31, 2010 and 2009 (in millions):

	<u>2010</u>	<u>2009</u>
One percentage point increase:		
Accumulated postretirement benefit obligation	\$ 5	\$ 5
One percentage point decrease:		
Accumulated postretirement benefit obligation	(4)	(4)

Components of Net Benefit Cost. For each of the years ended December 31, the components of net benefit cost are as follows (in millions):

	<u>2010</u>	<u>2009</u>
Interest cost	\$ 3	\$ 3
Expected return on plan assets	(2)	(2)
Amortization of net actuarial gain	-	-
Net benefit cost	<u>\$ 1</u>	<u>\$ 1</u>

10. Transactions with Major Customers

The following table shows revenues from our major customer for each of the years ended December 31 (in millions):

	<u>2010</u>	<u>2009</u>
SCANA Corporation (1)	\$ 92	\$ 83
Southern Company Services	62	58

- (1) A significant portion of revenues received from a subsidiary of SCANA Corporation resulted from firm capacity released by Atlanta Gas Light Company under terms allowed by our tariff.

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11. Supplemental Cash Flow Information

The following table contains supplemental cash flow information for each of the years ended December 31 (in millions):

	2010	2009
Interest paid, net of capitalized interest.	\$ 59	\$ 61
Current income tax payments to partners	61	31

12. Accounts Receivable Sales Program

During 2009, we had agreements to sell senior interest in certain accounts receivable (which are short-term assets that generally settle within 60 days) to a wholly-owned subsidiary, SNG Finance Company, L.L.C. (Finance) who in turn sold them to another wholly-owned subsidiary, SNG Funding Company, L.L.C. (Funding), who in turn sold them to a third party financial institution. The sale of these senior interests qualified for sale accounting and was conducted to accelerate cash from these receivables, the proceeds from which were used to increase liquidity and lower our overall cost of capital. During the year ended December 31, 2009, we, through Finance, received \$299 million of cash related to the sale of the senior interests, collected \$228 million from the subordinated interests we retained in the receivables, and recognized a loss of approximately less than \$1 million on these transactions. At December 31, 2009, the third party financial institution held approximately \$30 of senior interest and we, through Finance, held \$19 million of subordinated interests. These amounts were recorded as an investment in subsidiary in account 123.1, 'Investment in Subsidiary Companies' in our balance sheet. In January 2010, we terminated these accounts receivable sales programs and paid \$30 million to acquire the senior interests.

In the first quarter of 2010, we entered into a new accounts receivable sales program to continue to sell accounts receivable to a third party financial institution that qualifies for sale accounting under the updated accounting standards related to financial asset transfers. In conjunction with the new accounts receivable sales programs, Finance was merged into Funding. Under these programs, we sell certain accounts receivables in their entirety to Funding, who in turn sells these accounts receivables in their entirety to a third party financial institution. At December 31, 2010, the third party financial institution held \$56 million of the accounts receivable we sold under the program. Through Funding, we receive a portion of the sales proceeds up front and receive an additional amount upon the collection of the underlying receivables (referred to as deferred purchase price), which is recorded as an investment in subsidiary in account 123.1 'Investment in Subsidiary Companies' in our balance sheet. Our ability to recover the deferred purchase price is based solely on the collection of the underlying receivables. During the year ended December 31, 2010, we sold approximately \$629 million of accounts receivable to Funding, for which we received approximately \$395 million of cash up front and had a deferred purchase price of approximately \$234 million. We received approximately \$208 million of cash related to the deferred purchase price when the underlying receivables were collected during 2010. As of December 31, 2010, we had not collected approximately \$26 million related to our accounts receivable sales, which is reflected as an investment in subsidiary in account 123.1 'Investment in Subsidiary Companies' on our balance sheet (and was initially recorded at an amount which approximates its fair value as a Level 2 measurement). We recognized a loss of less than \$1 million on our accounts receivable sales during the year ended December 31, 2010. Our ability to recover our carrying value of our investment is based on the collectability of the underlying receivables, and as such, are not subject to significant other risks given their short-term nature. Because the cash received up front and the deferred purchase

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price relate to the sale or ultimate collection of the underlying receivables, and are not subject to significant other risks given their short term nature, we reflect all cash flows under the new accounts receivable sales program as operating cash flows on our statement of cash flows.

Under both the prior and current accounts receivable sales programs, we serviced the underlying receivables for a fee. The fair value of these servicing agreements as well as the fees earned were not material to our financial statements for the periods ended December 31, 2010 and 2009.

13. Investment in Affiliate and Transactions with Affiliates

Investment in Affiliate

Bear Creek. We have a 50 percent membership interest in Bear Creek, a joint venture with our affiliate, TGP. We account for our investment in Bear Creek using the equity method of accounting. In 2010, we reclassified approximately \$15 million from account 216.1 'Unappropriated Undistributed Subsidiary Retained Earnings' to account 216 'Retained Earnings' to adjust the historical remaining undistributed retained earnings related to our investment in Bear Creek. Additionally, we reclassified approximately \$79 million from account 123 'Investments in Associated Companies' to account 123.1 'Investments in Subsidiary Companies' to reflect Bear Creek as a subsidiary. These reclassifications did not impact the results of operations or cash flows.

During 2010 and 2009, we received \$14 million and \$13 million in cash distributions from Bear Creek. Also, during 2010, Bear Creek utilized its note receivable balance under the cash management program with El Paso to pay a cash distribution to its members, including \$23 million to us. Included in this amount was a return of capital of \$15 million.

Transactions with Affiliates

EPB Acquisition. In 2010, EPB acquired an additional 35 percent interest (20 percent in June and 15 percent in November) in us from El Paso. Additionally, EPB acquired an additional 25 percent interest in us in March 2011.

Distributions/Contributions. We are required to make distributions of available cash as defined in our partnership agreement on a quarterly basis to our partners. During the year ended December 31, 2010, we paid cash distributions of approximately \$257 million, inclusive of \$61 million of current income taxes and an advance of \$40 million representing deferred income taxes. During the year ended December 31, 2009, we paid cash distributions to our partners of approximately \$172 million, inclusive of \$31 million of current income taxes and an advance of \$27 million representing deferred income taxes. In addition, in January 2011, we paid a cash distribution to our partners of approximately \$47 million, inclusive of \$18 million of current income taxes and an advance of \$11 million representing deferred income taxes.

In January 2011, we received capital contributions of \$15 million and \$10 million from EPB and El Paso, respectively, to fund capital expenditures for the fourth quarter of 2010.

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Other Affiliate Balances. The following table shows other balances with our affiliates arising in the ordinary course of business for each of the years ended December 31 (in millions):

Account	2010	2009
146 Accounts Receivable from Associated Companies . .	\$ 4	\$ 8
186 Advance of Deferred Income Taxes to Partners. . .	411	371
233 Notes Payable to Associated Companies	12	-
234 Accounts Payable to Associated Companies.	36	53
235 Contractual Deposits Payable to Affiliates. . . .	1	1
242 Gas Imbalance Payable to Affiliates	1	-

Cash Management Program. In conjunction with EPB's acquisition of an additional interest in us, in November 2010 we began to participate in EPB's cash management program which matches our short-term cash surpluses and needs, thus minimizing our total borrowings from outside sources. EPB uses the cash management program to settle intercompany transactions between participating affiliates. At December 31, 2010, we had a note payable to EPB of approximately \$12 million which was classified as current on our balance sheet. The interest rate on this variable rate note was 0.8%.

Also, in conjunction with EPB's acquisition of the additional interest in us as described above, we terminated our participation in El Paso's cash management program and received cash of approximately \$5 million from El Paso in settlement of the final note receivable balance. At December 31, 2009, we had a \$154 million note receivable from El Paso of which \$42 million was classified as current on our balance sheet. The interest rate on this variable rate note was 1.5% at December 31, 2009.

Affiliate Revenues and Expenses. We enter into transactions with our affiliates within the ordinary course of business and the services are based on the same terms as non-affiliates, including natural gas transportation services to affiliates under long-term contracts.

We do not have employees and we are managed and operated by officers of El Paso, our general partner. We have an omnibus agreement with El Paso and its affiliates under which we reimburse El Paso for the provision of various general and administrative services for our benefit and for direct expenses incurred by El Paso on our behalf. El Paso bills us directly for certain general and administrative costs and allocates a portion of its general and administrative costs to us. In addition to allocations from El Paso, we are allocated costs from TGP, our affiliate, associated with our pipeline services. These allocations are based on the estimated level of effort devoted to our operations and the relative size of our earnings before interest expense and income taxes, gross property and payroll.

The following table shows revenues and charges from our affiliates for each of the years ended December 31 (in millions):

	2010	2009
Revenues from affiliates.	\$ 8	\$ 6
Operation and maintenance expenses from affiliates.	114	125
Reimbursements of operating expenses charged to affiliates. .	4	14

Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion		
Line No.	Item (a)	Total Company For the Current Quarter/Year
1	UTILITY PLANT	
2	In Service	
3	Plant in Service (Classified)	3,531,402,997
4	Property Under Capital Leases	
5	Plant Purchased or Sold	
6	Completed Construction not Classified	
7	Experimental Plant Unclassified	
8	TOTAL Utility Plant (Total of lines 3 thru 7)	3,531,402,997
9	Leased to Others	
10	Held for Future Use	223,465
11	Construction Work in Progress	211,784,087
12	Acquisition Adjustments	
13	TOTAL Utility Plant (Total of lines 8 thru 12)	3,743,410,549
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	1,401,179,508
15	Net Utility Plant (Total of lines 13 and 14)	2,342,231,041
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION	
17	In Service:	
18	Depreciation	1,326,513,880
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights	
20	Amortization of Underground Storage Land and Land Rights	
21	Amortization of Other Utility Plant	74,665,628
22	TOTAL In Service (Total of lines 18 thru 21)	1,401,179,508
23	Leased to Others	
24	Depreciation	
25	Amortization and Depletion	
26	TOTAL Leased to Others (Total of lines 24 and 25)	
27	Held for Future Use	
28	Depreciation	
29	Amortization	
30	TOTAL Held for Future Use (Total of lines 28 and 29)	
31	Abandonment of Leases (Natural Gas)	
32	Amortization of Plant Acquisition Adjustment	
33	TOTAL Accum. Provisions (Should agree with line 14 above)(Total of lines 22, 26, 30, 31, and 32)	1,401,179,508

Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion (continued)

Line No.	Electric (c)	Gas (d)	Other (specify) (e)	Common (f)
1				
2				
3		3,531,402,997		
4				
5				
6				
7				
8		3,531,402,997		
9				
10		223,465		
11		211,784,087		
12				
13		3,743,410,549		
14		1,401,179,508		
15		2,342,231,041		
16				
17				
18		1,326,513,880		
19				
20				
21		74,665,628		
22		1,401,179,508		
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33		1,401,179,508		

Gas Plant in Service (Accounts 101, 102, 103, and 106)

1. Report below the original cost of gas plant in service according to the prescribed accounts.

2. In addition to Account 101, Gas Plant in Service (Classified), this page and the next include Account 102, Gas Plant Purchased or Sold, Account 103, Experimental Gas Plant Unclassified, and Account 106, Completed Construction Not Classified-Gas.

3. Include in column (c) and (d), as appropriate corrections of additions and retirements for the current or preceding year.

4. Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.

5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d).

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization	183,995	
3	302 Franchises and Consents	2,042,259	
4	303 Miscellaneous Intangible Plant	86,357,336	3,161,057
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	88,583,590	3,161,057
6	PRODUCTION PLANT		
7	Natural Gas Production and Gathering Plant		
8	325.1 Producing Lands		
9	325.2 Producing Leaseholds		
10	325.3 Gas Rights		
11	325.4 Rights-of-Way		
12	325.5 Other Land and Land Rights		
13	326 Gas Well Structures		
14	327 Field Compressor Station Structures		
15	328 Field Measuring and Regulating Station Equipment		
16	329 Other Structures		
17	330 Producing Gas Wells-Well Construction		
18	331 Producing Gas Wells-Well Equipment		
19	332 Field Lines		
20	333 Field Compressor Station Equipment		
21	334 Field Measuring and Regulating Station Equipment		
22	335 Drilling and Cleaning Equipment		
23	336 Purification Equipment		
24	337 Other Equipment		
25	338 Unsuccessful Exploration and Development Costs		
26	339 Asset Retirement Costs for Natural Gas Production and		
27	TOTAL Production and Gathering Plant (Enter Total of lines 8		
28	PRODUCTS EXTRACTION PLANT		
29	340 Land and Land Rights		
30	341 Structures and Improvements		
31	342 Extraction and Refining Equipment		
32	343 Pipe Lines		
33	344 Extracted Products Storage Equipment		

Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
34	345 Compressor Equipment		
35	346 Gas Measuring and Regulating Equipment		
36	347 Other Equipment		
37	348 Asset Retirement Costs for Products Extraction Plant		
38	TOTAL Products Extraction Plant (Enter Total of lines 29 thru 37)		
39	TOTAL Natural Gas Production Plant (Enter Total of lines 27 and		
40	Manufactured Gas Production Plant (Submit Supplementary		
41	TOTAL Production Plant (Enter Total of lines 39 and 40)		
42	NATURAL GAS STORAGE AND PROCESSING PLANT		
43	Underground Storage Plant		
44	350.1 Land	461,052	
45	350.2 Rights-of-Way	564,293	
46	351 Structures and Improvements	4,236,705	16,436
47	352 Wells	22,443,701	227,397
48	352.1 Storage Leaseholds and Rights	451,921	
49	352.2 Reservoirs	541,337	
50	352.3 Non-recoverable Natural Gas	1,762,541	
51	353 Lines	19,392,110	
52	354 Compressor Station Equipment	25,387,312	338,449
53	355 Other Equipment	3,610,606	
54	356 Purification Equipment	9,547,291	
55	357 Other Equipment	278,535	
56	358 Asset Retirement Costs for Underground Storage Plant		
57	TOTAL Underground Storage Plant (Enter Total of lines 44 thru	88,677,404	582,282
58	Other Storage Plant		
59	360 Land and Land Rights		
60	361 Structures and Improvements		
61	362 Gas Holders		
62	363 Purification Equipment		
63	363.1 Liquefaction Equipment		
64	363.2 Vaporizing Equipment		
65	363.3 Compressor Equipment		
66	363.4 Measuring and Regulating Equipment		
67	363.5 Other Equipment		
68	363.6 Asset Retirement Costs for Other Storage Plant		
69	TOTAL Other Storage Plant (Enter Total of lines 58 thru 68)		
70	Base Load Liquefied Natural Gas Terminating and Processing Plant		
71	364.1 Land and Land Rights		
72	364.2 Structures and Improvements		
73	364.3 LNG Processing Terminal Equipment		
74	364.4 LNG Transportation Equipment		
75	364.5 Measuring and Regulating Equipment		
76	364.6 Compressor Station Equipment		
77	364.7 Communications Equipment		
78	364.8 Other Equipment		
79	364.9 Asset Retirement Costs for Base Load Liquefied Natural Gas		
80	TOTAL Base Load Liquefied Nat'l Gas, Terminating and		

Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
81	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 57,	88,677,404	582,282
82	TRANSMISSION PLAN		
83	365.1 Land and Land Rights	41,022,991	432,884
84	365.2 Rights-of-Way	67,310,192	776,281
85	366 Structures and Improvements	107,063,142	991,160
86	367 Mains	2,299,658,056	59,495,678
87	368 Compressor Station Equipment	635,466,333	10,320,908
88	369 Measuring and Regulating Station Equipment	117,738,558	4,671,182
89	370 Communication Equipment	26,399,685	649,105
90	371 Other Equipment	11,859,394	6,925
91	372 Asset Retirement Costs for Transmission Plant	16,959,187	
92	TOTAL Transmission Plant (Enter Totals of lines 83 thru 91)	3,323,477,538	77,344,123
93	DISTRIBUTION PLAN		
94	374 Land and Land Rights		
95	375 Structures and Improvements		
96	376 Mains		
97	377 Compressor Station Equipment		
98	378 Measuring and Regulating Station Equipment-General		
99	379 Measuring and Regulating Station Equipment-City Gate		
100	380 Services		
101	381 Meters		
102	382 Meter Installations		
103	383 House Regulators		
104	384 House Regulator Installations		
105	385 Industrial Measuring and Regulating Station Equipment		
106	386 Other Property on Customers' Premises		
107	387 Other Equipment		
108	388 Asset Retirement Costs for Distribution Plant		
109	TOTAL Distribution Plant (Enter Total of lines 94 thru 108)		
110	GENERAL PLANT		
111	389 Land and Land Rights		
112	390 Structures and Improvements	14,300,066	87,730
113	391 Office Furniture and Equipment	6,152,548	253,619
114	392 Transportation Equipment	18,342,555	519,060
115	393 Stores Equipment	291,884	722
116	394 Tools, Shop, and Garage Equipment	7,753,358	770,041
117	395 Laboratory Equipment	472,869	
118	396 Power Operated Equipment	4,810,177	39,713
119	397 Communication Equipment	2,722,907	97,518
120	398 Miscellaneous Equipment	2,330,553	21,193
121	Subtotal (Enter Total of lines 111 thru 120)	57,176,917	1,789,596
122	399 Other Tangible Property		
123	399.1 Asset Retirement Costs for General Plant		
124	TOTAL General Plant (Enter Total of lines 121, 122 and 123)	57,176,917	1,789,596
125	TOTAL (Accounts 101 and 106)	3,557,915,449	82,877,058
126	Gas Plant Purchased (See Instruction 8)	(20,197,792)	20,197,792
127	(Less) Gas Plant Sold (See Instruction 8)		
128	Experimental Gas Plant Unclassified		
129	TOTAL Gas Plant In Service (Enter Total of lines 125 thru 128)	3,537,717,657	103,074,850

Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Account 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1				
2				183,995
3				2,042,259
4				89,518,393
5				91,744,647
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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)				
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Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
34				
35				
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41				
42				
43				
44				461,052
45				564,293
46				4,253,141
47	20,351			22,650,747
48				451,921
49				541,337
50				1,762,541
51				19,392,110
52	65,315			25,660,446
53				3,610,606
54				9,547,291
55			(136,752)	141,783
56				
57	85,666		(136,752)	89,037,268
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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
81	85,666		(136,752)	89,037,268
82				
83		(647,194)		40,808,681
84	68	(128,349)		67,958,056
85	20,233	(324,955)	(2,597)	107,706,517
86	37,507,326	(26,983,010)	2,597	2,294,665,995
87	1,640,461	(478,296)		643,668,484
88	263,857	(4,387,611)	136,752	117,895,024
89	59,352	(141,493)		26,847,945
90				11,866,319
91		(16,893,350)		65,837
92	39,491,297	(49,984,258)	136,752	3,311,482,858
93				
94				
95				
96				
97				
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99				
100				
101				
102				
103				
104				
105				
106				
107				
108				
109				
110				
111				
112	9,886,641			4,501,155
113	851,093			5,555,074
114	8,657,810			10,203,805
115				292,606
116	95,985			8,427,414
117				472,869
118				4,849,890
119	175,368			2,645,057
120	161,392			2,190,354
121	19,828,289			39,138,224
122				
123				
124	19,828,289			39,138,224
125	59,405,252	(49,984,258)		3,531,402,997
126				
127	11,438,132	3,331,022	8,107,110	
128				
129	47,967,120	(53,315,280)	(8,107,110)	3,531,402,997

Name of Respondent Southern Natural Gas Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2010/Q4
FOOTNOTE DATA			

Schedule Page: 204 Line No.: 126 Column: c

Gas Plant Purchased and/or Sold

Beginning Balance	\$ (20,197,792)
Sale of Humble Crossover line to Hilcorp - Dockets No. AC10-36-000 and AC10-36-001	1,475
Sale of Brunswick Facilities to Magnolia Enterprises - Docket No. CP08-5-000	<u>20,196,317</u>
Year-end Balance	\$ 0 =====

Schedule Page: 204 Line No.: 125 Column: e

Coupled pipe asset retirement obligation adjustment	\$(16,893,350)
Third party reimbursements reclassified from Account 108 to plant	<u>(33,090,908)</u>
	\$(49,984,258) =====

Schedule Page: 204 Line No.: 127 Column: d

On September 29, 2006, we filed an application with the FERC, Docket No. CP06-474-000 to abandon by sale to Elba Express Company, L.L.C. (Elba Express), an affiliate, an undivided ownership interest in our Twin 30s pipeline facilities. On September 20, 2007, the FERC issued an order authorizing this sale. The facilities were sold to Elba Express effective March 1, 2010. Journal entries were filed in a letter on August 25, 2010 to the Chief Accountant.

Original Cost (Acct 101)	\$11,438,132
Accum DD&A (Acct 108)	<u>3,331,022</u>
Cost of Facilities Sold	\$ 8,107,110
Cash Paid (131)	<u>8,107,110</u>
	\$ 0 =====

Gas Property and Capacity Leased from Others

1. Report below the information called for concerning gas property and capacity leased from others for gas operations.
2. For all leases in which the average annual lease payment over the initial term of the lease exceeds \$500,000, describe in column (c), if applicable: the property or capacity leased. Designate associated companies with an asterisk in column (b).

Line No.	Name of Lessor (a)	* (b)	Description of Lease (c)	Lease Payments for Current Year (d)
1	Atlanta Gas Light/Magnolia Enterprise Holding		Riceboro Compressor Station	6,369,564
2				
3				
4				
5				
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44				
45	Total			6,369,564

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
FOOTNOTE DATA			

Schedule Page: 212 Line No.: 1 Column: a

This lease is also reported on page 332 'Transmission and Compression of Gas by Others'.

Gas Property and Capacity Leased to Others

1. For all leases in which the average lease income over the initial term of the lease exceeds \$500,000 provide in column (c), a description of each facility or leased capacity that is classified as gas plant in service, and is leased to others for gas operations.
2. In column (d) provide the lease payments received from others.
3. Designate associated companies with an asterisk in column (b).

Line No.	Name of Lessor (a)	* (b)	Description of Lease (c)	Lease Payments for Current Year (d)
1	Not Applicable			
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44				
45	Total			

Gas Plant Held for Future Use (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of \$1,000,000 or more. Group other items of property held for future use.

2. For property having an original cost of \$1,000,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally Included in this Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	Land in Mississippi and Georgia			223,465
2				
3				
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44				
45	Total			223,465

Construction Work in Progress-Gas (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (Account 107).
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects (less than \$1,000,000) may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	South System Expansion Pipeline Phase 1	100,171,067	6,312,704
2	SESH Phase II - Delhi Compressor Addition	23,807,761	7,019,373
3	SESH Phase II - Gwinville Addition	21,404,220	7,768,646
4	South System III Compressor Phase 2	19,157,779	6,555,574
5	South System III Compressor Phase 3	2,208,039	23,403,130
6	South System III Pipeline Phase 2	17,632,702	43,435,534
7	South System III Pipeline Phase 3	3,437,376	77,639,170
8	Project 4Sight - Transportation Management Software	271,266	7,112,542
9	Pell City Pipeline	172,737	2,542,199
10	Enterprise Compressor Station	328,224	4,709,984
11	Reform Compressor Station	130,332	1,248,071
12	North Clay Line 43	16,925	1,430,548
13	South Main Loop	41,427	1,218,002
14	North Main Loop	6,534,018	57,491
15	Pipeline Integrity - Pig launchers/catchers	1,831,957	14,220,094
16	Engineering and Operations Software	1,137,672	445,886
17	Levee Relocations	3,942,050	10,819,129
18	Misc. Construction Projects under \$1,000,000	9,558,535	5,899,563
19			
20			
21			
22			
23			
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44			
45	Total	211,784,087	221,837,640

Non-Traditional Rate Treatment Afforded New Projects

1. The Commission's Certificate Policy Statement provides a threshold requirement for existing pipelines proposing new projects is that the pipeline must be prepared to financially support the project without relying on subsidization from its existing customers. See Certification of New Interstate Natural Gas Pipeline Facilities, 88 FERC P61,227 (1999); order clarifying policy, 90 FERC P61,128 (2000); order clarifying policy, 92 FERC P61,094 (2000) (Policy Statement). In column a, list the name of the facility granted non-traditional rate treatment.
2. In column b, list the CP Docket Number where the Commission authorized the facility.
3. In column c, indicate the type of rate treatment approved by the Commission (e.g. incremental, at risk)
4. In column d, list the amount in Account 101, Gas Plant in Service, associated with the facility.
5. In column e, list the amount in Account 108, Accumulated Provision for Depreciation of Gas Utility Plant, associated with the facility.

Line No.	Name of Facility (a)	CP Docket No. (b)	Type of Rate Treatment (c)	Gas Plant in Service (d)
1	Not Applicable			
2				
3				
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36				
	Total			0

Non-Traditional Rate Treatment Afforded New Projects (continued)

6. In column f, list the amount in Account 190, Accumulated Deferred Income Tax; Account 281, Accumulated Deferred Income Taxes – Accelerated Amortization Property; Account 282, Accumulated Deferred Income Taxes – Other Property; Account 283, Accumulated Deferred Income Taxes – Other, associated with the facility.
7. In column g, report the total amount included in the gas operations expense accounts during the year related to the facility (Account 401, Operation Expense).
8. In column h, report the total amount included in the gas maintenance expense accounts during the year related to the facility.
9. In column i, report the amount of depreciation expense accrued on the facility during the year.
10. In column j, list any other expenses(including taxes) allocated to the facility.
11. In column k, report the incremental revenues associated with the facility.
12. Identify the volumes received and used for any incremental project that has a separate fuel rate for that project.
13. Provide the total amounts for each column.

Line No.	Accumulated Depreciation (e)	Accumulated Deferred Income Taxes (f)	Operating Expense (g)	Maintenance Expense (h)	Depreciation Expense (i)	Other Expenses (including taxes) (j)	Incremental Revenues (k)
1							
2							
3							
4							
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
General Description of Construction Overhead Procedure			

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.

2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3 (17) of the Uniform System of Accounts.

3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

1. Construction Overhead

(a) Overhead charges are intended to cover those indirect costs pertaining to construction activities for departments such as engineering, operations and accounting for their labor and related employee benefits and office space. The overhead amount capitalized is charged to all construction projects by applying a construction overhead clearing rate to direct project costs.

(b) The overhead capitalized is primarily based on periodic studies to identify indirect capital costs that are not charged directly to construction projects.

(c) Costs are accumulated in a blanket overhead project and distributed monthly to individual construction projects.

(d) Separate percentages are applied to maintenance capital construction and value added construction.

(e) The basis for the differentiation in rates for different type of construction stems from the relative effort and economy of scale that is achieved with the larger value added projects.

(f) Overheads are directly assigned to each project.

2. Allowance for Funds Used During Construction

Allowance for funds used during construction is calculated on Page 218a.

3. Net-of-Tax rate for borrowed funds

Not Applicable

General Description of Construction Overhead Procedure (continued)

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

1. For line (5), column (d) below, enter the rate granted in the last rate proceeding. If not available, use the average rate earned during the preceding 3 years.
2. Identify, in a footnote, the specific entity used as the source for the capital structure figures.
3. Indicate, in a footnote, if the reported rate of return is one that has been approved in a rate case, black-box settlement rate, or an actual three-year average rate.

1. Components of Formula (Derived from actual book balances and actual cost rates):

Line No.	Title (a)	Amount (b)	Capitalization Ratio (percent) (c)	Cost Rate Percentage (d)
	(1) Average Short-Term Debt	S		
	(2) Short-Term Interest			s
	(3) Long-Term Debt	D 911,000,000	36.64	d 7.20
	(4) Preferred Stock	P		p
	(5) Common Equity	C 1,575,062,647	63.36	c 12.00
	(6) Total Capitalization	2,486,062,647		
	(7) Average Construction Work In Progress Balance	W 89,852,799		

2. Gross Rate for Borrowed Funds $s(S/W) + d[(D/(D+P+C)) (1-(S/W))]$ 2.64

3. Rate for Other Funds $[1-(S/W)] [p(P/(D+P+C)) + c(C/(D+P+C))]$ 7.60

4. Weighted Average Rate Actually Used for the Year:

- | | |
|------------------------------|------|
| a. Rate for Borrowed Funds - | 2.64 |
| b. Rate for Other Funds - | 7.60 |

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
FOOTNOTE DATA			

Schedule Page: 218 Line No.: 5 Column: d

The reported rate of return is from approval in Docket No. RP99-496. The SNG rates cases since then (RP04-523 and RP09-427) have been black-box settlements in which the rate of return has not been specified.

Schedule Page: 218 Line No.: 6 Column: b

Southern Natural Gas Company's capital structure was used as the source for the 2010 AFUDC rates.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
FOOTNOTE DATA			

Schedule Page: 219 Line No.: 12 Column: c

Book Cost of Plant Retired	\$49,518,612
Less: Elba Express Sale	(11,438,132)
Plus: Leasehold Improvement Retirements	<u>9,886,640</u>
Page 209, Line 125 Column (d)	<u>\$47,967,120</u>
	=====

Schedule Page: 219 Line No.: 16 Column: c

Twin 30 Sale	\$ 8,107,110
Magnolia and Humble Crossover Sales	20,196,317
Reclassify account 108 to 101	(32,493,755)
ARO Adjustment	(254,677)
Loss on Sale of Vehicle	4,354
Reclassify account 115 to 108	<u>40,796</u>
	<u>\$ (4,399,855)</u>
	=====

Name of Respondent

Southern Natural Gas Company

This Report Is:

(1) ☒ An Original(2) ☐ A Resubmission

Date of Report

(Mo, Da, Yr)

/ /

Year/Period of Report

End of 2010/Q4

Gas Stored (Accounts 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, and 164.3)

1. If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.
2. Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.
3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e., fixed asset method or inventory method).

Line No.	Description	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at Beginning of	124,804,891	19,657,185		(7,608,868)				136,853,208
2	Gas Delivered to Storage				56,254,434				56,254,434
3	Gas Withdrawn from				47,786,147				47,786,147
4	Other Debits and Credits				(3,895,730)				(3,895,730)
5	Balance at End of Year	124,804,891	19,657,185		(3,036,311)				141,425,765
6	Dth	51,526,807	8,250,655		(1,274,465)				58,502,997
7	Amount Per Dth	2.4221	2.3825		2.3824				2.4174

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
FOOTNOTE DATA			

Schedule Page: 220 Line No.: 1 Column: e

We use the fixed asset method to record storage.

Schedule Page: 220 Line No.: 4 Column: e

Other Debits and Credits:

Pricing difference	(\$4,523,470)
Adjustment to Linepack	615,986
Estimate to Actual	<u>11,754</u>
Total	(\$3,895,730)

There is a pricing difference between the 117.4 account and the 808 accounts due to SNG using a fixed price for 117.4. The adjustment to Linepack was a method change in the current year to show a debit and credit to the 808 accounts.

Schedule Page: 220 Line No.: 6 Column: c

The volume reflected is in dekatherms and calculates to the correct price per dekatherm. In previous years, this number was the mcf equivalent.

Investments (Account 123, 124, and 136)

- Report below investments in Accounts 123, Investments in Associated Companies, 124, Other Investments, and 136, Temporary Cash Investments.
- Provide a subheading for each account and list thereunder the information called for:
 - Investment in Securities-List and describe each security owned, giving name of issuer, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included in Account 124, Other Investments) state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, Temporary Cash Investments, also may be grouped by classes.
 - Investment Advances-Report separately for each person or company the amounts of loans or investment advances that are properly includable in Account 123. Include advances subject to current repayment in Account 145 and 146. With respect to each advance, show whether the advance is a note or open account.

Line No.	Description of Investment (a)	*	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (c)	Purchases or Additions During the Year (d)
1	Account 123 - Investment Advance - Open Account -			
2	El Paso Corporation (Affiliate)		112,074,129	
3		*		
4	Account 123 - Investment Advance - Open Account -			
5	Bear Creek Storage Company, L.L.C.		79,409,892	
6				
7	Total Account 123		191,484,021	
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Investments (Account 123, 124, and 136) (continued)

List each note, giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees.

3. Designate with an asterisk in column (b) any securities, notes or accounts that were pledged, and in a footnote state the name of pledges and purpose of the pledge.

4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and cite Commission, date of authorization, and case or docket number.

5. Report in column (h) interest and dividend revenues from investments including such revenues from securities disposed of during the year.

6. In column (i) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (h).

Line No.	Sales or Other Dispositions During Year (e)	Principal Amount or No. of Shares at End of Year (f)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (g)	Revenues for Year (h)	Gain or Loss from Investment Disposed of (i)
1					
2	112,074,129			1,337,645	
3					
4					
5	79,409,892				
6					
7	191,484,021				
8					
9					
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
FOOTNOTE DATA			

Schedule Page: 222 Line No.: 2 Column: a

In conjunction with the acquisition of additional interest in us, through affiliates, by El Paso Pipeline Partners, L.P. (EPB) in November 2010, we terminated our participation in El Paso Corporation's cash management program and began to participate in EPB's cash management program.

Schedule Page: 222 Line No.: 2 Column: h

The balance represents the interest on the El Paso Corporation (El Paso) cash pool balance in both Accounts 123 and 145 prior to the termination of our participation in El Paso's cash management program.

Schedule Page: 222 Line No.: 5 Column: a

The investment balance was reclassified to FERC 123.1.

Investments in Subsidiary Companies (Account 123.1)

- Report below investments in Account 123.1, Investments in Subsidiary Companies.
- Provide a subheading for each company and list thereunder the information called for below. Sub-total by company and give a total in columns (e), (f), (g) and (h).
 - Investment in Securities-List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate.
 - Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
- Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	SNG Finance Company, L.L.C.	07/20/2006		19,424,169
2	Subtotal SNG Finance Company, L.L.C.			19,424,169
3				
4	SNG Funding Company, L.L.C.	01/15/2010		
5	Subtotal SNG Funding Company, L.L.C.			
6				
7	Bear Creek Storage Company, L.L.C.	12/18/2009		
8	Capital Contributions			
9	Undistributed Earnings			
10	Subtotal Bear Creek Storage Company, L.L.C.			
11				
12	Southern Natural Issuing Corporation	10/23/2007		1,000
13	Subtotal Southern Natural Issuing Corporation			1,000
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39				
40	TOTAL Cost of Account 123.1 \$ <u>79,027,853</u>		TOTAL	19,425,169

Investments in Subsidiary Companies (Account 123.1) (continued)

4. Designate in a footnote, any securities, notes, or accounts that were pledged, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report in column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost), and the selling price thereof, not including interest adjustments includible in column (f).
8. Report on Line 40, column (a) the total cost of Account 123.1.

Line No.	Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)
1		19,424,169		
2		19,424,169		
3				
4		(25,725,824)	25,725,824	
5		(25,725,824)	25,725,824	
6				
7				
8		(53,301,029)	53,301,029	
9	14,060,900	10,822,363	3,238,537	
10	14,060,900	(42,478,666)	56,539,566	
11				
12			1,000	
13			1,000	
14				
15				
16				
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39				
40	14,060,900	(48,780,321)	82,266,390	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
FOOTNOTE DATA			

Schedule Page: 224 Line No.: 1 Column: a

Effective January 15, 2010, SNG Finance Company, L.L.C. was merged into SNG Funding Company, L.L.C.

Schedule Page: 224 Line No.: 1 Column: f

This balance represents 100% distribution of SNG Finance Company, L.L.C. to SNG Funding Company, L.L.C.

Schedule Page: 224 Line No.: 4 Column: a

Due to the merger of SNG Finance Company, L.L.C., ownership of SNG Funding Company, L.L.C. was transferred to us effective January 15, 2010.

Schedule Page: 224 Line No.: 4 Column: f

Amount represents the net sales of receivables to SNG Funding Company, L.L.C., inclusive of the 100% distribution of SNG Finance Company, L.L.C. See page 122, Notes to Financial Statements, Note 12 'Accounts Receivable Sales Program' for further information.

Distribution of SNG Finance Company, L.L.C.	\$ (19,424,169)
Net sales of receivables	(6,301,655)
Total	\$ (25,725,824)
	=====

Schedule Page: 224 Line No.: 8 Column: f

Reclassification of prior-year balance from FERC 123	\$ (53,137,878)
Reclassification of prior-year earnings	(15,391,271)
Return of capital	15,228,120
Total	\$ (53,301,029)
	=====

Schedule Page: 224 Line No.: 9 Column: f

Reclassification of prior-year balance from FERC 123	\$ (26,272,014)
Cash distributions from Bear Creek Storage, L.L.C.	21,703,106
Reclassification of prior-year earnings	15,391,271
Total	\$ 10,822,363
	=====

Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)

PREPAYMENTS (ACCOUNT 165)

1. Report below the particulars (details) on each prepayment.

Line No.	Nature of Payment (a)	Balance at End of Year (in dollars) (b)
1	Prepaid Insurance	
2	Prepaid Rents	432,307
3	Prepaid Taxes	
4	Prepaid Interest	
5	Miscellaneous Prepayments	
6	TOTAL	432,307

Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)
(continued)

EXTRAORDINARY PROPERTY LOSSES (ACCOUNT 182.1)

Line No.	Description of Extraordinary Loss [include the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr)] Add rows as necessary to report all data. (a)	Balance at Beginning of Year (b)	Total Amount of Loss (c)	Losses Recognized During Year (d)	Written off During Year Account Charged (e)	Written off During Year Amount (f)	Balance at End of Year (g)
7	Not Applicable						
8							
9							
10							
11							
12							
13							
14							
15	Total						

Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)
(continued)

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UNRECOVERED PLANT AND REGULATORY STUDY COSTS (ACCOUNT 182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2 and period of amortization (mo, yr, to mo, yr)] Add rows as necessary to report all data. Number rows in sequence beginning with the next row number after the last row number used for extraordinary property losses. (a)	Balance at Beginning of Year (b)	Total Amount of Charges (c)	Costs Recognized During Year (d)	Written off During Year Account Charged (e)	Written off During Year Amount (f)	Balance at End of Year (g)
16	Not Applicable						
17							
18							
19							
20							
21							
22							
23							
24							
25							
26	Total						

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This Report Is:

(1) ☒ An Original

(2) ☐ A Resubmission

Date of Report
(Mo, Da, Yr)
/ /

Year/Period of Report
End of <u>2010/Q4</u>

Other Regulatory Assets (Account 182.3)

1. Report below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts).
2. For regulatory assets being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than \$250,000, whichever is less) may be grouped by classes.
4. Report separately any "Deferred Regulatory Commission Expenses" that are also reported on pages 350-351, Regulatory Commission Expenses.
5. Provide in a footnote, for each line item, the regulatory citation where authorization for the regulatory asset has been granted (e.g. Commission Order, state commission order, court decision).

Line No.	Description and Purpose of Other Regulatory Assets	Balance at Beginning Current Quarter/Year (b)	Debits (c)	Written off During Quarter/Year Account Charged (d)	Written off During Period Amount Recovered (e)	Written off During Period Amount Deemed Unrecoverable (f)	Balance at End of Current Quarter/Year (g)
	(a)						
1	Income Tax Gross-up on AFUDC Equity	34,459,304	4,315,053	407.3	777,753		37,996,604
2	(amortized over remaining life of assets)						
3							
4	Royalty Settlement	1,220,000					1,220,000
5							
6	Asset Retirement Obligation	2,115,772	3,352,209	108	5,053,328		414,653
7							
8	FERC Annual Charge Adjustment	1,105,768	1,505,550	928	1,482,155		1,129,163
9	(amortized over twelve months)						
10							
11	Gain/Loss on Imbalance Cash-Outs	(777,777)	17,055,712	Various	12,417,987		3,859,948
12							
13	Fuel Tracker	1,634,126	19,567,908	Various	8,312,363		12,889,671
14							
15							
16							
17							
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39							
40	Total	39,757,193	45,796,432		28,043,586	0	57,510,039

Name of Respondent Southern Natural Gas Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2010/Q4
FOOTNOTE DATA			

Schedule Page: 232 Line No.: 1 Column: a

Recorded pursuant to Docket No. A193-5-000 issued on April 23, 1993 (Accounting for Income Taxes).

Schedule Page: 232 Line No.: 4 Column: a

Recorded pursuant to Docket No. RP86-63.

Schedule Page: 232 Line No.: 6 Column: a

Recorded pursuant to Docket No. RM02-7-000 (Order No. 631) issued on April 9, 2003.

Schedule Page: 232 Line No.: 8 Column: a

Recorded pursuant to 18CFR 154.402(a).

Schedule Page: 232 Line No.: 11 Column: a

Recorded pursuant to Docket No. RP89-224.

Schedule Page: 232 Line No.: 11 Column: d

117.4	\$ 5,348,426
808.1	7,069,561
Total	\$ 12,417,987
=====	

Schedule Page: 232 Line No.: 13 Column: a

Recorded pursuant to Docket No. RP09-427.

Schedule Page: 232 Line No.: 13 Column: d

174	\$ 6,778,950
254	1,262,135
813	271,278
Total	\$ 8,312,363
=====	

Miscellaneous Deferred Debits (Account 186)

1. Report below the details called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a).
3. Minor items (less than \$250,000) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits	Balance at Beginning of Year	Debits	Credits	Credits	Balance at End of Year
	(a)	(b)	(c)	Account Charged (d)	Amount (e)	(f)
1	Advance of Deferred Income Taxes					
2	to Partners	371,361,641	39,707,650			411,069,291
3						
4	Securitization of Accounts Receivable		698,456	426.5	540,947	157,509
5						
6	Response to Underwater Pipeline	308,657				308,657
7	Emergency COOP					
8						
9	Other	74,377	468,392	Various	507,123	35,646
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38						
39	Miscellaneous Work in Progress	(967,159)				110,646
40	Total	370,777,516	40,874,498		1,048,070	411,681,749

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
FOOTNOTE DATA			

Schedule Page: 233	Line No.: 9	Column: d
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Accounts Charged:

107	\$	88,570
253		217,677
853		<u>200,876</u>
Total	\$	507,123
		=====

Accumulated Deferred Income Taxes (Account 190)
--

1. Report the information called for below concerning the respondent's accounting for deferred income taxes. 2. At Other (Specify), include deferrals relating to other income and deductions. 3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 190			
2	Electric			
3	Gas	22,617,458	16,317,651	2,223,158
4	Other (Define) (footnote details)			
5	Total (Total of lines 2 thru 4)	22,617,458	16,317,651	2,223,158
6	Other (Specify) (footnote details)			
7	TOTAL Account 190 (Total of lines 5 thru 6)	22,617,458	16,317,651	2,223,158
8	Classification of TOTAL			
9	Federal Income Tax	19,631,095	14,111,039	2,026,130
10	State Income Tax	2,986,363	2,206,612	197,028
11	Local Income Tax			

Accumulated Deferred Income Taxes (Account 190) (continued)

Line No.	Changes During Year	Changes During Year	Adjustments	Adjustments	Adjustments	Adjustments	Balance at End of Year
	Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	Debits	Debits	Credits	Credits	
	(e)	(f)	Account No. (g)	Amount (h)	Account No. (i)	Amount (j)	
1							
2							
3		99,401					8,622,366
4							
5		99,401					8,622,366
6							
7		99,401					8,622,366
8							
9		99,401					7,645,587
10							976,779
11							

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
FOOTNOTE DATA			

Schedule Page: 234 Line No.: 7 Column: k

As of December 31, 2010 and 2009, we estimate that the following deferred tax balances in Account 190 could be used in the development of jurisdictional rates:

	<u>12/31/2009</u>	<u>12/31/2010</u>
Regulatory Issues	\$ 4,165,831	\$ 3,375,362
Employee Benefits	<u>9,759,298</u>	<u>2,904,958</u>
Total	\$ 13,925,129	\$ 6,280,320
	=====	=====

Capital Stock (Accounts 201 and 204)

1. Report below the details called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.
3. Give details concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value per Share (c)	Call Price at End of Year (d)
1	Not Applicable			
2				
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Capital Stock (Accounts 201 and 204)

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
5. State in a footnote if any capital stock that has been nominally issued is nominally outstanding at end of year.
6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.

Line No.	Outstanding per Bal. Sheet (total amt outstanding without reduction for amts held by respondent) Shares (e)	Outstanding per Bal. Sheet Amount (f)	Held by Respondent As Reacquired Stock (Acct 217) Shares (g)	Held by Respondent As Reacquired Stock (Acct 217) Cost (h)	Held by Respondent In Sinking and Other Funds Shares (i)	Held by Respondent In Sinking and Other Funds Amount (j)
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Capital Stock: Subscribed, Liability for Conversion, Premium on, and Installments Recieved on (Accts 202, 203, 205, 206, 207, and 212)

1. Show for each of the above accounts the amounts applying to each class and series of capital stock.
2. For Account 202, Common Stock Subscribed, and Account 205, Preferred Stock Subscribed, show the subscription price and the balance due on each class at the end of year.
3. Describe in a footnote the agreement and transactions under which a conversion liability existed under Account 203, Common Stock Liability for Conversion, or Account 206, Preferred Stock Liability for Conversion, at the end of year.
4. For Premium on Account 207, Capital Stock, designate with an asterisk in column (b), any amounts representing the excess of consideration received over stated values of stocks without par value.

Line No.	Name of Account and Description of Item (a)	* (b)	Number of Shares (c)	Amount (d)
1	Not Applicable			
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40	Total		0	0

Other Paid-In Capital (Accounts 208-211)

1. Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as a total of all accounts for reconciliation with the balance sheet, page 112. Explain changes made in any account during the year and give the accounting entries effecting such change.

(a) Donations Received from Stockholders (Account 208) - State amount and briefly explain the origin and purpose of each donation.
(b) Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.

(c) Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.

(d) Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account according to captions that, together with brief explanations, disclose the general nature of the transactions that gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	Account 211 - Miscellaneous Paid-in-Capital	
2	Balance, Beginning and End of Year	1,015,037,614
3	Total Account 211	1,015,037,614
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40	Total	1,015,037,614

DISCOUNT ON CAPITAL STOCK (ACCOUNT 213)

1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. Use as many rows as necessary to report all data.
 2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off during the year and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1	Not Applicable	
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TOTAL		

CAPITAL STOCK EXPENSE (ACCOUNT 214)

1. Report the balance at end of year of capital stock expenses for each class and series of capital stock. Use as many rows as necessary to report all data. Number the rows in sequence starting from the last row number used for Discount on Capital Stock above.
 2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
16	Not Applicable	
17		
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28		
TOTAL		

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
Securities Issued or Assumed and Securities Refunded or Retired During the Year			

1. Furnish a supplemental statement briefly describing security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.
2. Provide details showing the full accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gain or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.
3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.
4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, cite the Commission authorization for the different accounting and state the accounting method.
5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as details of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

Not Applicable

Long-Term Debt (Accounts 221, 222, 223, and 224)

1. Report by Balance Sheet Account the details concerning long-term debt included in Account 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt.
2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
3. For Advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.

Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amts held by respondent) (d)
1	Account 221 - Note - 5.90% Issue Due April 2017	03/26/2007	04/01/2017	500,000,000
2	Account 221 - Note - 7.35% Issue Due February 2031	02/13/2001	02/15/2031	153,280,000
3	Account 221 - Note - 8.00% Issue Due March 2032	02/21/2002	03/01/2032	257,720,000
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40	TOTAL			911,000,000

Long-Term Debt (Accounts 221, 222, 223, and 224)

5. In a supplemental statement, give explanatory details for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.

6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.

7. If the respondent has any long-term securities that have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.

8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (f). Explain in a footnote any difference between the total of column (f) and the total Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.

9. Give details concerning any long-term debt authorized by a regulatory commission but not yet issued.

Line No.	Interest for Year Rate (in %) (e)	Interest for Year Amount (f)	Held by Respondent Reacquired Bonds (Acct 222) (g)	Held by Respondent Sinking and Other Funds (h)	Redemption Price per \$100 at End of Year (i)
1	5.900	29,500,000			
2	7.350	11,308,669			
3	8.000	20,611,747			
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Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)

1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, details of expense, premium or discount applicable to each class and series of long-term debt.
2. Show premium amounts by enclosing the figures in parentheses.
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.
4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

Line No.	Designation of Long-Term Debt	Principal Amount of Debt Issued	Total Expense Premium or Discount	Amortization Period	Amortization Period
	(a)	(b)	(c)	Date From (d)	Date To (e)
1	Account 181 - Note - 5.90% Issue Due April 2017	500,000,000	7,617,434	03/26/2007	04/01/2017
2	Account 181 - Note - 7.35% Issue Due February 2031	300,000,000	3,902,790	02/13/2001	02/15/2031
3	Account 181 - Note - 8.00% Issue Due March 2032	300,000,000	3,918,005	02/21/2002	03/01/2032
4	Total Account 181				
5					
6	Account 226 - Note - 5.90% Issue Due April 2017	500,000,000	830,000	03/26/2007	04/01/2017
7	Account 226 - Note - 7.35% Issue Due February 2031	300,000,000	290,991	02/13/2001	02/15/2031
8	Account 226 - Note - 8.00% Issue Due March 2032	300,000,000	852,000	02/21/2002	03/01/2032
9	Total Account 226				
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Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)

5. Furnish in a footnote details regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

6. Identify separately undisposed amounts applicable to issues which were redeemed in prior years.

7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt-Credit.

Line No.	Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)
1	5,618,141		774,916	4,843,225
2	1,527,968		72,540	1,455,428
3	2,664,920		120,222	2,544,698
4	9,811,029		967,678	8,843,351
5				
6	601,750		83,000	518,750
7	104,670		4,967	99,703
8	540,810		24,397	516,413
9	1,247,230		112,364	1,134,866
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Unamortized Loss and Gain on Recquired Debt (Accounts 189, 257)

1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Recquired Debt, details of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.
2. In column (c) show the principal amount of bonds or other long-term debt reacquired.
3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform Systems of Accounts.
4. Show loss amounts by enclosing the figures in parentheses.
5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Recquired Debt, or credited to Account 429.1, Amortization of Gain on Recquired Debt-Credit.

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1	Note - 6.70% Issue Due October 2007	03/30/2007	51,945,000	(439,413)	329,560	284,103
2	Note - 8.875% Issue Due March 2010	03/30/2007	400,000,000	(24,515,901)	17,763,042	15,312,968
3	Note - 7.35% Issue Due February 2031	06/23/2008	146,720,000	(9,751,070)	8,521,052	8,116,753
4	Note - 8.00% Issue Due March 2032	06/23/2008	42,280,000	(6,133,152)	5,565,448	5,314,375
5	Total Account 189		640,945,000	(40,839,536)	32,179,102	29,028,199
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Reconciliation of Reported Net Income with Taxable Income for Feder Income Taxes

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal Income Tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group that files consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments, or sharing of the consolidated tax among the group members.

Line No.	Details (a)	Amount (b)
1	Net Income for the Year (Page 116)	165,540,412
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5	Contribution in Aid of Construction - Grossed Up	2,570,100
6	Section 263A Capitalized Interest	2,481,167
7	Tax Gain on Asset Disposition	5,309,789
8	TOTAL	10,361,056
9	Deductions Recorded on Books Not Deducted for Return	
10	Book Depreciation	56,589,359
11	Book Depreciation on AFUDC Equity	1,238,458
12	Detail Breakdown Shown in Footnote	106,221,488
13	TOTAL	164,049,305
14	Income Recorded on Books Not Included in Return	
15	AFUDC Equity	6,871,087
16	AFUDC Equity Gross Up, net	3,537,300
17	Detail Breakdown Shown in Footnote	5,711,419
18	TOTAL	16,119,806
19	Deductions on Return Not Charged Against Book Income	
20	Environmental Reserve	674,259
21	Bad Debt Expense	237,600
22	Removal Costs	2,096,061
23	Step-up Depreciation	5,921,257
24	Tax Depreciation	153,718,251
25	Detail Breakdown Shown in Footnote	11,262,153
26	TOTAL	173,909,581
27	Federal Tax Net Income	149,921,386
28	Show Computation of Tax:	
29	See Footnote for Computation of Tax	
30		
31	See Footnote for information pertaining to tax return	
32		
33		
34		
35		

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2010/Q4
Southern Natural Gas Company			
FOOTNOTE DATA			

Schedule Page: 261 Line No.: 12 Column: a

Other Deductions Recorded on Books Not Deducted on Return:

Amortization of Loss on Reacquired Debt	\$ 3,150,903
Current Federal Income Tax	52,472,489
Deferred Federal Income Tax	36,732,299
Deferred State Income Tax	6,108,169
Gas Reserves	1,800,000
Environmental Costs Liability	81,210
Meals and Entertainment	223,550
Non-Deductible Lobbying & Contributions	21,578
Non-Deductible Expenses	(46,573)
Non-Deductible Dues	1,854
Pipeline Integrity Costs	5,676,009
Total	\$ 106,221,488
	=====

Schedule Page: 261 Line No.: 17 Column: a

Other Income Recorded on Books Not Included in Return:

Partnership Income	\$ 266,822
Excess Deferred FIT Amortization	14,256
FAS 106 Post Retirement Benefits	5,355,554
Medicare Subsidy	74,787
Total	\$ 5,711,419
	=====

Schedule Page: 261 Line No.: 25 Column: a

Other Deductions on return not charged against book income:

Line Pack Adjustment	\$ 8,143,847
Cooperative Marketing	2,731,722
Asset Retirement Obligation	380,263
Book Loss on Asset Disposition	6,321
Total	\$ 11,262,153
	=====

Schedule Page: 261 Line No.: 29 Column: a

Computation of Tax:

Current Income Tax:	
Federal Tax Net Income	\$ 149,921,386
Federal Statutory Rate	35%
Subtotal	52,472,489
Total Current Federal Income Tax	52,472,489
Total Current State Income Tax	10,028,262
Total Current Federal & State Income Tax	\$ 62,500,751
	=====

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
FOOTNOTE DATA			

Deferred Income Tax:

Total Deferred Federal Income Tax	\$ 36,732,299
Total Deferred State Income Tax	<u>6,108,169</u>
Total Deferred Taxes	\$ 42,840,468
	=====

Schedule Page: 261 Line No.: 31 Column: a

Our approved rates include an allowance for income taxes, calculated as if we were a corporation, and FERC requires that we record such income taxes in the partnership records to reflect the pro-forma income taxes payable by the partners as a result of our operations. Income taxes, however, are the responsibility of the partners and are generally not reflected in the financial statements of partnerships. Income taxes are recorded without regard to whether the partners can utilize their share of our deductions.

Name of Respondent 20110413-8000 FERC PDF (Unofficial) 04/13/2011 Southern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2010/Q4
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See Instruction 5) (a)	Balance at Beg. of Year Taxes Accrued (b)	Balance at Beg. of Year Prepaid Taxes (c)
1	Federal Income Tax:		
2	Federal Income Tax: 2009 and Prior	13,616,303	
3	Federal Income Tax: 2010		
4	Subtotal Federal Income Tax	13,616,303	
5			
6	State Income Tax:		
7	State Income Tax: AL 2009 and Prior	943,235	
8	State Income Tax: AL 2010		
9	State Income Tax: CO 2009 and Prior	39	
10	State Income Tax: CO 2010		
11	State Income Tax: FL 2009 and Prior	25,397	
12	State Income Tax: FL 2010		
13	State Income Tax: GA 2009 and Prior	457,428	
14	State Income Tax: GA 2010		
15	State Income Tax: LA 2009 and Prior	432,269	
16	State Income Tax: LA 2010		
17	State Income Tax: MS 2009 and Prior	387,045	
18	State Income Tax: MS 2010		
19	State Income Tax: SC 2009 and Prior	8,350	
20	State Income Tax: SC 2010		
21	State Income Tax: TN 2009 and Prior	1,306	
22	State Income Tax: TN 2010		
23	State Income Tax: Miscellaneous	50,121	
24	Subtotal State Income Tax	2,305,190	
25			
26	Real Estate & Personal Prop Taxes:		
27	Real Estate & Personal Prop Taxes: AL 2009		
28	Real Estate & Personal Prop Taxes: AL 2010		
29	Real Estate & Personal Prop Taxes: FL 2010		
30	Real Estate & Personal Prop Taxes: GA 2008	288,247	
31	Real Estate & Personal Prop Taxes: GA 2009	2,599,066	
32	Real Estate & Personal Prop Taxes: GA 2010		
33	Real Estate & Personal Prop Taxes: LA 2009	790,725	
34	Real Estate & Personal Prop Taxes: LA 2010		
35	Real Estate & Personal Prop Taxes: MS 2009	4,555,236	
36	Real Estate & Personal Prop Taxes: MS 2010		
37	Real Estate & Personal Prop Taxes: SC 2010		
38	Real Estate & Personal Prop Taxes: TN 2009	51,997	
39	Real Estate & Personal Prop Taxes: TN 2010		

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

Line No.	Kind of Tax (See Instruction 5) (a)	Balance at Beg. of Year Taxes Accrued (b)	Balance at Beg. of Year Prepaid Taxes (c)
1	Real Estate & Personal Prop Taxes: TX 2010		
2	Subtotal Real Estate & Pers Prop Taxes	8,285,271	
3			
4	Sales and Use Taxes:		
5	Sales and Use Taxes: Alabama	5,267	
6	Sales and Use Taxes: Florida	519	
7	Sales and Use Taxes: Georgia	23,742	
8	Sales and Use Taxes: Louisiana	10	
9	Sales and Use Taxes: Mississippi	141,456	
10	Sales and Use Taxes: South Carolina	3,018	
11	Sales and Use Taxes: Tennessee	957	
12	Sales and Use Taxes: Texas		
13	Sales and Use Taxes: Other	13,167	
14	Subtotal Sales and Use Taxes	188,136	
15			
16	Franchise Taxes:		
17	Franchise Taxes: Alabama 2007	2,502	
18	Franchise Taxes: Louisiana 2007	(235,586)	
19	Franchise Taxes: Louisiana Natural Gas 2007	92,086	
20	Franchise Taxes: Mississippi 2007	263,960	
21	Franchise Taxes: Tennessee 2007		
22	Subtotal Franchise Taxes	122,962	
23			
24	Expense Allocations from El Paso Corporation		
25	Payroll Taxes		
26	Other Tax Licenses & Fees		
27	Subtotal		
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
TOTAL		24,517,862	

Name of Respondent 20110413-8000 FERC PDF (Unofficial) 04/13/2011 Southern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2010/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged) (continued)
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5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).

6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.

7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.

9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

10. Items under \$250,000 may be grouped.

11. Report in column (q) the applicable effective state income tax rate.

Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1					
2		13,616,303			
3	52,472,489	38,187,830		14,284,659	
4	52,472,489	51,804,133		14,284,659	
5					
6					
7	138,875	1,082,110			
8	3,040,518	1,735,932		1,304,586	
9	(39)				
10	90	51		39	
11	(47,095)	(21,698)			
12	92,076	52,569		39,507	
13	126,411	583,839			
14	2,043,108	1,166,477		876,631	
15	1,198,450	1,630,719			
16	1,299,473	741,911		557,562	
17	(132,881)	254,164			
18	2,187,776	1,249,072		938,704	
19	25,609	33,959			
20	43,152	24,637		18,515	
21	2,664	3,970			
22	10,075	5,752		4,323	
23		50,121			
24	10,028,262	8,593,585		3,739,867	
25					
26					
27	(12,508)	(12,508)			
28	5,396,761	5,396,761			
29	458,983	458,983			
30	(288,260)	(13)			
31	(425,615)	2,173,451			
32	3,250,000	383,438		2,866,562	
33	(14,322)	776,403			
34	5,942,484	5,773,605		168,879	
35	(122,542)	4,432,694			
36	9,484,672			9,484,672	
37	219,043	219,043			
38	(6,803)	45,194			
39	46,000			46,000	

--

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged) (continued)					
Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1	28,738	28,738			
2	23,956,631	19,675,789		12,566,113	
3					
4					
5	60	4,402		925	
6	4,486	627		4,378	
7	303,520	302,711		24,551	
8	215,321	215,216		115	
9	1,434,323	1,504,366		71,413	
10	2,090	3,246		1,862	
11				957	
12	1,533	657		876	
13	27,658			40,825	
14	1,988,991	2,031,225		145,902	
15					
16					
17	(2,502)				
18	235,586				
19				92,086	
20	(227,131)	36,829			
21	(972)	(972)			
22	4,981	35,857		92,086	
23					
24	1,913,494	1,913,494			
25	2,968,663	2,968,663			
26	132,627	132,627			
27	5,014,784	5,014,784			
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
TOTAL	93,466,138	87,155,373		30,828,627	

Name of Respondent 20110413-8000 FERC PDF (Unofficial) 04/13/2011 Southern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2010/Q4
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Dept. (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1				
2				
3		45,642,100		6,830,389
4		45,642,100		6,830,389
5				
6				
7		138,875		
8		2,644,121		396,397
9		(39)		
10		78		12
11		(47,095)		
12		80,072		12,004
13		126,411		
14		1,776,745		266,363
15		1,198,450		
16		1,130,059		169,414
17		(132,881)		
18		1,902,553		285,223
19		25,609		
20		37,526		5,626
21		2,664		
22		8,762		1,313
23				
24		8,891,910		1,136,352
25				
26				
27		(12,508)		
28		5,396,761		
29		458,983		
30		(288,260)		
31		(425,615)		
32		3,250,000		
33		(14,322)		
34		5,942,484		
35		(122,542)		
36		9,484,672		
37		219,043		
38		(6,803)		
39		46,000		

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
10. Items under \$250,000 may be grouped.
11. Report in column (q) the applicable effective state income tax rate.

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)					
Line No.	Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
1					
2					
3					
4					
5					
6					
7					
8					1.99
9					
10					
11					
12					0.05
13					
14					1.23
15					
16					1.05
17					
18					1.10
19					
20					0.02
21					
22					0.01
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					

(continued)

Line No.	Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
1					
2					
3					
4					
5					
6				4,486	
7				263,947	
8					
9				1,307,935	
10				1,853	
11					
12				1,482	
13				27,658	
14				1,607,361	
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
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29					
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35					
36					
37					
38					
39					
TOTAL				1,607,361	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2010/Q4
Southern Natural Gas Company			
FOOTNOTE DATA			

Schedule Page: 262.1 Line No.: 14 Column: p
Offsetting activity recorded to account 107.

Miscellaneous Current and Accrued Liabilities (Account 242)		
1. Describe and report the amount of other current and accrued liabilities at the end of year. 2. Minor items (less than \$250,000) may be grouped under appropriate title.		

Line No.	Item (a)	Balance at End of Year (b)
1	Gas Imbalance Due to Others	6,311,235
2	Storage Imbalance Due to Others	5,756,759
3	Environmental Remediation Reserve	67,841
4		
5		
6		
7		
8		
9		
10		
11		
12		
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40		
41		
42		
43		
44		
45	Total	12,135,835

Other Deferred Credits (Account 253)						
1. Report below the details called for concerning other deferred credits. 2. For any deferred credit being amortized, show the period of amortization. 3. Minor items (less than \$250,000) may be grouped by classes.						
Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	Debit Contra Account (c)	Debit Amount (d)	Credits (e)	Balance at End of Year (f)
1	Legal Reserve	2,000,000				2,000,000
2						
3	Post Employment Benefits - FAS 112	528,004	926	14,004		514,000
4						
5	O&M Billings	326,515	Various	1,267,134	1,278,132	337,513
6						
7	Accrued Lease Liability	1,973,103	232	2,764,637	2,740,743	1,949,209
8						
9	Revenue Reserve	600,000	254	600,000		
10						
11	Construction Fuel	910,264	117.4	345,590		564,674
12						
13	Other Minor Items (2 items)	6,335	Various	600,505	675,380	81,210
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
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40						
41						
42						
43						
44						
45	Total	6,344,221		5,591,870	4,694,255	5,446,606

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
FOOTNOTE DATA			

Schedule Page: 269 Line No.: 5 Column: c

186	\$	217,677
856		52,189
857		966,534
859		30,734
Total	\$	1,267,134
=====		

Schedule Page: 269 Line No.: 13 Column: c

146	\$	99,594
232		245,849
234		2,059
417.1		2,770
859		250,233
Total	\$	600,505
=====		

Accumulated Deferred Income Taxes-Other Property (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric			
3	Gas	377,689,086	70,797,338	38,024,743
4	Other (Define) (footnote details)			
5	Total (Enter Total of lines 2 thru 4)	377,689,086	70,797,338	38,024,743
6	Other (Specify) (footnote details)			
7	TOTAL Account 282 (Enter Total of lines 5 thr	377,689,086	70,797,338	38,024,743
8	Classification of TOTAL			
9	Federal Income Tax	323,838,405	61,407,114	33,307,215
10	State Income Tax	53,850,681	9,390,224	4,717,528
11	Local Income Tax			

Accumulated Deferred Income Taxes-Other Property (Account 282) (continued)

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2							
3	2,891,288	2,283,031					411,069,938
4							
5	2,891,288	2,283,031					411,069,938
6							
7	2,891,288	2,283,031					411,069,938
8							
9	2,512,525	1,990,993					352,459,836
10	378,763	292,038					58,610,102
11							

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
FOOTNOTE DATA			

Schedule Page: 274 Line No.: 7 Column: k

As of December 31, 2010 and 2009, we estimate that the following deferred tax balances in Account 282 could be used in the development of jurisdictional rates:

	<u>12/31/2009</u>	<u>12/31/2010</u>
Property, Plant and Equipment	\$ 342,230,103	\$ 378,455,177
Regulatory Issues	(107,091)	(101,591)
Gas Storage	<u>13,218,728</u>	<u>13,218,729</u>
Total	<u>\$ 355,341,740</u>	<u>\$ 391,572,315</u>
	=====	=====

<p align="center">Accumulated Deferred Income Taxes-Other (Account 283)</p> <p>1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.</p> <p>2. At Other (Specify), include deferrals relating to other income and deductions.</p>

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Gas	23,709,127	1,731,993	6,366,870
4	Other (Define) (footnote details)			
5	Total (Total of lines 2 thru 4)	23,709,127	1,731,993	6,366,870
6	Other (Specify) (footnote details)			
7	TOTAL Account 283 (Total of lines 5 thru	23,709,127	1,731,993	6,366,870
8	Classification of TOTAL			
9	Federal Income Tax	20,567,117	1,537,441	5,511,480
10	State Income Tax	3,142,010	194,552	855,390
11	Local Income Tax			

Accumulated Deferred Income Taxes-Other (Account 283) (continued)

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2							
3	99,401						19,173,651
4							
5	99,401						19,173,651
6							
7	99,401						19,173,651
8							
9	99,401						16,692,479
10							2,481,172
11							

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
FOOTNOTE DATA			

Schedule Page: 276 Line No.: 7 Column: k

As of December 31, 2010 and 2009, we estimate that the following deferred tax balances in Account 283 could be used in the development of jurisdictional rates:

	<u>12/31/2009</u>	<u>12/31/2010</u>
Reacquired Debt Amortization	\$ <u>12,789,457</u>	\$ <u>11,573,966</u>
Total	\$ <u>12,789,457</u> =====	\$ <u>11,573,966</u> =====

Name of Respondent Southern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2010/Q4</u>
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Other Regulatory Liabilities (Account 254)

1. Report below the details called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).
2. For regulatory liabilities being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$250,000, whichever is less) may be grouped by classes.
4. Provide in a footnote, for each line item, the regulatory citation where the respondent was directed to refund the regulatory liability (e.g. Commission Order, state commission order, court decision).

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	Written off during Quarter/Period Account Credited (c)	Written off During Period Amount Refunded (d)	Written off During Period Amount Deemed Non-Refundable (e)	Credits (f)	Balance at End of Current Quarter/Year (g)
1	Excess Deferred Income Taxes Due Customers	277,617	407.4	14,257			263,360
2	(to be fully amortized in 2029)						
3							
4	Post Retirement Benefits	5,016,362	407.4	1,988		4,185,752	9,200,126
5							
6	Fuel Tracker	2,162,212	Various	2,296,133		133,921	
7							
8	Rate Refund Reserve					2,400,000	2,400,000
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
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41							
42							
43							
44							
45	Total	7,456,191		2,312,378	0	6,719,673	11,863,486

Name of Respondent Southern Natural Gas Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2010/Q4
FOOTNOTE DATA			

Schedule Page: 278 Line No.: 1 Column: a

Recorded pursuant to Docket No. AI93-5-000 issued on April 23, 1993 (Accounting for Income Taxes).

Schedule Page: 278 Line No.: 4 Column: a

Recorded pursuant to Docket No. AI07-1-000 issued on March 29, 2007.

Schedule Page: 278 Line No.: 6 Column: a

Recorded pursuant to Docket No. RP09-427.

Schedule Page: 278 Line No.: 6 Column: c

182.3	\$	1,262,135
419		6,219
489.2		<u>1,027,779</u>
Total	\$	2,296,133
=====		

Schedule Page: 278 Line No.: 8 Column: a

Recorded pursuant to Docket RP09-427.

Monthly Quantity & Revenue Data by Rate Schedule

1. Reference to account numbers in the USofA is provided in parentheses beside applicable data. Quantities must not be adjusted for discounts.
2. Total Quantities and Revenues in whole numbers
3. Report revenues and quantities of gas by rate schedule. Where transportation services are bundled with storage services, reflect only transportation Dth. When reporting storage, report Dth of gas withdrawn from storage and revenues by rate schedule.
4. Revenues in Column (c) include transition costs from upstream pipelines. Revenue (Other) in Column (e) includes reservation charges received by the pipeline plus usage charges, less revenues reflected in Columns (c) and (d). Include in Column (e), revenue for Accounts 490-495.
5. Enter footnotes as appropriate.

Line No.	Item (a)	Month 1 Quantity (b)	Month 1 Revenue Costs and Take-or-Pay (c)	Month 1 Revenue (GRI & ACA) (d)	Month 1 Revenue (Other) (e)	Month 1 Revenue (Total) (f)
1	Total Sales (480-488)					
2	Transportation of Gas for Others (489.2 and 489..3)					
3	FT	59,422,782		103,261	29,964,794	30,068,055
4	FTNN	3,804,616		5,263	11,210,684	11,215,947
5	IT (incl PVR)	2,867,463		5,390	320,498	325,888
6	PAL	226,456			396,740	396,740
7						
8						
9						
10						
11						
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42						
43						

Monthly Quantity & Revenue Data by Rate Schedule (continued)

1. Reference to account numbers in the USofA is provided in parentheses beside applicable data. Quantities must not be adjusted for discounts.
2. Total Quantities and Revenues in whole numbers
3. Report revenues and quantities of gas by rate schedule. Where transportation services are bundled with storage services, reflect only transportation Dth. When reporting storage, report Dth of gas withdrawn from storage and revenues by rate schedule.
4. Revenues in Column (c) include transition costs from upstream pipelines. Revenue (Other) in Column (e) includes reservation charges received by the pipeline plus usage charges, less revenues reflected in Columns (c) and (d). Include in Column (e), revenue for Accounts 490-495.
5. Enter footnotes as appropriate.

Line No.	Item (a)	Month 1 Quantity (b)	Month 1 Revenue Costs and Take-or-Pay (c)	Month 1 Revenue (GRI & ACA) (d)	Month 1 Revenue (Other) (e)	Month 1 Revenue (Total) (f)
44						
45						
46						
47						
48						
49						
50						
51						
52						
53						
54						
55						
56						
57						
58						
59						
60						
61						
62						
63	Total Transportation (Other than Gathering)	66,321,317		113,914	41,892,716	42,006,630
64	Storage (489.4)					
65	CSS	680,965			3,272,231	3,272,231
66	ISS	2,542			239,583	239,583
67						
68						
69						
70						
71						
72						
73						
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75						
76						
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78						
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80						
81						
82						
83						
84						
85						
86						

1. Reference to account numbers in the USofA is provided in parentheses beside applicable data. Quantities must not be adjusted for discounts.
2. Total Quantities and Revenues in whole numbers
3. Report revenues and quantities of gas by rate schedule. Where transportation services are bundled with storage services, reflect only transportation Dth. When reporting storage, report Dth of gas withdrawn from storage and revenues by rate schedule.
4. Revenues in Column (c) include transition costs from upstream pipelines. Revenue (Other) in Column (e) includes reservation charges received by the pipeline plus usage charges, less revenues reflected in Columns (c) and (d). Include in Column (e), revenue for Accounts 490-495.
5. Enter footnotes as appropriate.

Line No.	Item (a)	Month 1 Quantity (b)	Month 1 Revenue Costs and Take-or-Pay (c)	Month 1 Revenue (GRI & ACA) (d)	Month 1 Revenue (Other) (e)	Month 1 Revenue (Total) (f)
87						
88						
89						
90	Total Storage	683,507			3,511,814	3,511,814
91	Gathering (489.1)					
92	Gathering-Firm					
93	Gathering-Interruptible					
94	Total Gathering (489.1)					
95	Additional Revenues					
96	Products Sales and Extraction (490-492)					
97	Rents (493-494)					
98	Other Gas Revenues (495)				121,093	121,093
99	(Less) Provision for Rate Refunds					
100	Total Additional Revenues				121,093	121,093
101	Total Operating Revenues (Total of Lines 1,63,90,94 & 100)	67,004,824		113,914	45,525,623	45,639,537

Monthly Quantity & Revenue Data by Rate Schedule

1. Reference to account numbers in the USofA is provided in parentheses beside applicable data. Quantities must not be adjusted for discounts.
2. Total Quantities and Revenues in whole numbers
3. Report revenues and quantities of gas by rate schedule. Where transportation services are bundled with storage services, reflect only transportation Dth. When reporting storage, report Dth of gas withdrawn from storage and revenues by rate schedule.
4. Revenues in Column (c) include transition costs from upstream pipelines. Revenue (Other) in Column (e) includes reservation charges received by the pipeline plus usage charges, less revenues reflected in Columns (c) and (d). Include in Column (e), revenue for Accounts 490-495.
5. Enter footnotes as appropriate.

Line No.	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
1										
2										
3	60,516,371		113,470	29,861,415	29,974,885	73,391,197		136,526	30,860,565	30,997,091
4	6,624,918		11,478	11,481,888	11,493,366	18,809,611		35,412	12,303,553	12,338,964
5	1,837,761		3,434	167,003	170,437	6,617,882		12,634	1,642,750	1,655,384
6	1,385,826			405,403	405,403	1,564,817			381,403	381,403
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
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28										
29										
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32										
33										
34										
35										
36										
37										
38										
39										
40										
41										
42										
43										

Monthly Quantity & Revenue Data by Rate Schedule (continued)

1. Reference to account numbers in the USofA is provided in parentheses beside applicable data. Quantities must not be adjusted for discounts.
2. Total Quantities and Revenues in whole numbers
3. Report revenues and quantities of gas by rate schedule. Where transportation services are bundled with storage services, reflect only transportation Dth. When reporting storage, report Dth of gas withdrawn from storage and revenues by rate schedule.
4. Revenues in Column (c) include transition costs from upstream pipelines. Revenue (Other) in Column (e) includes reservation charges received by the pipeline plus usage charges, less revenues reflected in Columns (c) and (d). Include in Column (e), revenue for Accounts 490-495.
5. Enter footnotes as appropriate.

Line No.	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
44										
45										
46										
47										
48										
49										
50										
51										
52										
53										
54										
55										
56										
57										
58										
59										
60										
61										
62										
63	70,364,876		128,382	41,915,709	42,044,091	100,383,507		184,572	45,188,271	45,372,842
64										
65	3,342,567			3,286,187	3,286,187	10,400,843			3,333,021	3,333,021
66	49,275			242,780	242,780	2,422,523			165,079	165,079
67										
68										
69										
70										
71										
72										
73										
74										
75										
76										
77										
78										
79										
80										
81										
82										
83										
84										
85										
86										

Monthly Quantity & Revenue Data by Rate Schedule (continued)

1. Reference to account numbers in the USofA is provided in parentheses beside applicable data. Quantities must not be adjusted for discounts.
2. Total Quantities and Revenues in whole numbers
3. Report revenues and quantities of gas by rate schedule. Where transportation services are bundled with storage services, reflect only transportation Dth. When reporting storage, report Dth of gas withdrawn from storage and revenues by rate schedule.
4. Revenues in Column (c) include transition costs from upstream pipelines. Revenue (Other) in Column (e) includes reservation charges received by the pipeline plus usage charges, less revenues reflected in Columns (c) and (d). Include in Column (e), revenue for Accounts 490-495.
5. Enter footnotes as appropriate.

[illegible]

Gas Operating Revenues					
1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages. 2. Revenues in columns (b) and (c) include transition costs from upstream pipelines. 3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480-495.					
Line No.	Title of Account (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transition Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)
1	480 Residential Sales				
2	481 Commercial and Industrial Sales				
3	482 Other Sales to Public Authorities				
4	483 Sales for Resale				
5	484 Interdepartmental Sales				
6	485 Intracompany Transfers				
7	487 Forfeited Discounts				
8	488 Miscellaneous Service Revenues				
9	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities				
10	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities		8,915,069	1,649,204	1,400,969
11	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities				
12	489.4 Revenues from Storing Gas of Others				
13	490 Sales of Prod. Ext. from Natural Gas				
14	491 Revenues from Natural Gas Proc. by Others				
15	492 Incidental Gasoline and Oil Sales				
16	493 Rent from Gas Property				
17	494 Interdepartmental Rents				
18	495 Other Gas Revenues				
19	Subtotal:		8,915,069	1,649,204	1,400,969
20	496 (Less) Provision for Rate Refunds				
21	TOTAL:		8,915,069	1,649,204	1,400,969

Gas Operating Revenues

4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. On Page 108, include information on major changes during the year, new service, and important rate increases or decreases.
6. Report the revenue from transportation services that are bundled with storage services as transportation service revenue.

Line No.	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10	507,702,048	452,322,855	509,351,252	462,638,893	928,635,416	867,900,695
11						
12	41,764,208	41,098,098	41,764,208	41,098,098	57,306,142	56,610,324
13						
14						
15	1,823,630	1,012,684	1,823,630	1,012,684		
16	520	500	520	500		
17						
18	1,848,074	5,750,200	1,848,074	5,750,200		
19	553,138,480	500,184,337	554,787,684	510,500,375		
20						
21	553,138,480	500,184,337	554,787,684	510,500,375		

Revenues from Transporation of Gas of Others Through Gathering Facilities (Account 489.1)

1. Report revenues and Dth of gas delivered through gathering facilities by zone of receipt (i.e. state in which gas enters respondent's system).
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.

Line No.	Rate Schedule and Zone of Receipt (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transaction Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Current Year (d)
1	NONE				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					

Revenues from Transporation of Gas of Others Through Gathering Facilities (Account 489.1)
--

3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). 4. Delivered Dth of gas must not be adjusted for discounting.
--

Line No.	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
1						
2						
3						
4						
5						
6						
7						
8						
9						
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12						
13						
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16						
17						
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21						
22						
23						
24						
25						

Revenues from Transportation of Gas of Others Through Transmission Facilities (Account 489.2)

1. Report revenues and Dth of gas delivered by Zone of Delivery by Rate Schedule. Total by Zone of Delivery and for all zones. If respondent does not have separate zones, provide totals by rate schedule.
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges for transportation and hub services, less revenues reflected in columns (b) through (e).

Line No.	Zone of Delivery, Rate Schedule (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transition Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)
1	Zone 0 IT			32,166	36,377
2	Zone 0 FT			73,899	82,120
3	Zone 0 FTNN			150	1,195
4	Zone 1 IT			3,189	1,006
5	Zone 1 FT			62,275	56,874
6	Zone 1 FTNN			3,124	3,391
7	Zone 2 IT			9,726	5,745
8	Zone 2 FT			366,217	292,460
9	Zone 2 FTNN			62,194	44,719
10	Zone 3 IT			34,106	24,581
11	Zone 3 FT			877,027	759,008
12	Zone 3 FTNN			125,131	93,493
13	Maintenance Capital		8,915,069		
14	Park & Loan Revenue				
15					
16					
17					
18					
19					
20	TOTAL		8,915,069	1,649,204	1,400,969
21					
22					
23					
24					
25					

Revenues from Transportation of Gas of Others Through Transmission Facilities (Account 489.2)

4. Delivered Dth of gas must not be adjusted for discounting.
5. Each incremental rate schedule and each individually certificated rate schedule must be separately reported.
6. Where transportation services are bundled with storage services, report total revenues but only transportation Dth.

Line No.	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
1	1,130,742	1,411,552	1,162,908	1,447,929	16,848,852	21,638,405
2	17,448,124	10,723,135	17,522,023	10,805,255	72,880,733	80,652,063
3	513,147	253,598	513,297	254,793	12,459,402	13,442,829
4	195,675	91,688	198,864	92,694	1,680,897	579,620
5	2,687,624	1,967,034	2,749,899	2,023,908	32,775,589	32,384,260
6	1,278,413	1,097,881	1,281,537	1,101,272	1,644,373	1,943,188
7	1,213,495	837,114	1,223,221	842,859	5,124,252	3,323,328
8	80,028,537	74,636,753	80,394,754	74,929,213	192,741,497	167,937,809
9	35,500,666	32,308,495	35,562,860	32,353,214	32,742,220	25,169,630
10	4,859,961	3,215,811	4,894,067	3,240,392	17,806,618	14,006,842
11	259,605,504	229,936,198	260,482,531	230,695,206	461,717,236	432,901,637
12	97,904,873	87,404,251	98,030,004	87,497,744	65,867,213	53,328,590
13				8,915,069		
14	5,335,287	8,439,345	5,335,287	8,439,345	14,346,534	20,592,494
15						
16						
17						
18						
19						
20	507,702,048	452,322,855	509,351,252	462,638,893	928,635,416	867,900,695
21						
22						
23						
24						
25						

Revenues from Storing Gas of Others (Account 489.4)

1. Report revenues and Dth of gas withdrawn from storage by Rate Schedule and in total.
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.
3. Other revenues in columns (f) and (g) include reservation charges, deliverability charges, injection and withdrawal charges, less revenues reflected in columns (b) through (e).

Line No.	Rate Schedule	Revenues for Transition Costs and Take-or-Pay	Revenues for Transaction Costs and Take-or-Pay	Revenues for GRI and ACA	Revenues for GRI and ACA
	(a)	Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1	ISS				
2	CSS				
3	Total				
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					

Revenues from Storing Gas of Others (Account 489.4)

4. Dth of gas withdrawn from storage must not be adjusted for discounting.
5. Where transportation services are bundled with storage services, report only Dth withdrawn from storage.

Line No.	Other Revenues	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherm of Natural Gas	Dekatherm of Natural Gas
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)
1	2,191,680	2,466,806	2,191,680	2,466,806	8,148,393	7,464,629
2	39,572,528	38,631,292	39,572,528	38,631,292	49,157,749	49,145,695
3	41,764,208	41,098,098	41,764,208	41,098,098	57,306,142	56,610,324
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						

Discounted Rate Services and Negotiated Rate Services					
1. In column b, report the revenues from discounted rate services. 2. In column c, report the volumes of discounted rate services. 3. In column d, report the revenues from negotiated rate services. 4. In column e, report the volumes of negotiated rate services.					

Line No.	Account	Discounted Rate Services	Discounted Rate Services	Negotiated Rate Services	Negotiated Rate Services
	(a)	Revenue (b)	Volumes (c)	Revenue (d)	Volumes (e)
1	Account 489.1, Revenues from transportation of gas of others through gathering facilities.				
2	Account 489.2, Revenues from transportation of gas of others through transmission facilities.	74,276,492	28,040,327	61,525,829	68,546,444
3	Account 489.4, Revenues from storing gas of others.	4,548,860	97,901,064		
4	Account 495, Other gas revenues.				
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
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21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
	Total	78,825,352	125,941,391	61,525,829	68,546,444

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2010/Q4
Southern Natural Gas Company			
FOOTNOTE DATA			

Schedule Page: 313 Line No.: 2 Column: b

Discounted Rate Services:

	Revenue
FT Demand	\$ 68,704,807
IT Commodity	236,398
PAL	<u>5,335,287</u>
Total	\$ 74,276,492
	=====

Schedule Page: 313 Line No.: 2 Column: c

Discounted Rate Services:

	Volumes
FT Demand	9,891,889
IT Commodity	3,801,904
PAL	<u>14,346,534</u>
Total	28,040,327
	=====

Schedule Page: 313 Line No.: 2 Column: d

Negotiated Rate Services:

	Revenue
FT Demand	\$ 58,596,036
FT Commodity	<u>2,929,793</u>
Total	\$ 61,525,829
	=====

Schedule Page: 313 Line No.: 2 Column: e

Negotiated Rate Services:

	Volumes
FT Demand	4,825,486
FT Commodity	<u>63,720,958</u>
Total	68,546,444
	=====

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production		
3	Manufactured Gas Production (Submit Supplemental Statement)	0	0
4	B. Natural Gas Production		
5	B1. Natural Gas Production and Gathering		
6	Operation		
7	750 Operation Supervision and Engineering	0	0
8	751 Production Maps and Records	0	0
9	752 Gas Well Expenses	0	0
10	753 Field Lines Expenses	0	0
11	754 Field Compressor Station Expenses	0	0
12	755 Field Compressor Station Fuel and Power	0	0
13	756 Field Measuring and Regulating Station Expenses	0	0
14	757 Purification Expenses	0	0
15	758 Gas Well Royalties	0	0
16	759 Other Expenses	0	0
17	760 Rents	0	0
18	TOTAL Operation (Total of lines 7 thru 17)	0	0
19	Maintenance		
20	761 Maintenance Supervision and Engineering	0	0
21	762 Maintenance of Structures and Improvements	0	0
22	763 Maintenance of Producing Gas Wells	0	0
23	764 Maintenance of Field Lines	0	0
24	765 Maintenance of Field Compressor Station Equipment	0	0
25	766 Maintenance of Field Measuring and Regulating Station Equipment	0	0
26	767 Maintenance of Purification Equipment	0	0
27	768 Maintenance of Drilling and Cleaning Equipment	0	0
28	769 Maintenance of Other Equipment	0	0
29	TOTAL Maintenance (Total of lines 20 thru 28)	0	0
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	0	0

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
31	B2. Products Extraction		
32	Operation		
33	770 Operation Supervision and Engineering	0	0
34	771 Operation Labor	0	0
35	772 Gas Shrinkage	0	0
36	773 Fuel	0	0
37	774 Power	0	0
38	775 Materials	0	0
39	776 Operation Supplies and Expenses	0	0
40	777 Gas Processed by Others	0	0
41	778 Royalties on Products Extracted	0	0
42	779 Marketing Expenses	0	0
43	780 Products Purchased for Resale	0	0
44	781 Variation in Products Inventory	0	0
45	(Less) 782 Extracted Products Used by the Utility-Credit	0	0
46	783 Rents	0	0
47	TOTAL Operation (Total of lines 33 thru 46)	0	0
48	Maintenance		
49	784 Maintenance Supervision and Engineering	0	0
50	785 Maintenance of Structures and Improvements	0	0
51	786 Maintenance of Extraction and Refining Equipment	0	0
52	787 Maintenance of Pipe Lines	0	0
53	788 Maintenance of Extracted Products Storage Equipment	0	0
54	789 Maintenance of Compressor Equipment	0	0
55	790 Maintenance of Gas Measuring and Regulating Equipment	0	0
56	791 Maintenance of Other Equipment	0	0
57	TOTAL Maintenance (Total of lines 49 thru 56)	0	0
58	TOTAL Products Extraction (Total of lines 47 and 57)	0	0

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
115	Maintenance		
116	830 Maintenance Supervision and Engineering	11,124	0
117	831 Maintenance of Structures and Improvements	9,975	2,114
118	832 Maintenance of Reservoirs and Wells	181,068	9,787
119	833 Maintenance of Lines	45,030	48,013
120	834 Maintenance of Compressor Station Equipment	641,352	1,095,512
121	835 Maintenance of Measuring and Regulating Station Equipment	97,425	99,283
122	836 Maintenance of Purification Equipment	346	0
123	837 Maintenance of Other Equipment	228,842	0
124	TOTAL Maintenance (Total of lines 116 thru 123)	1,215,162	1,254,709
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	27,085,090	24,649,846
126	B. Other Storage Expenses		
127	Operation		
128	840 Operation Supervision and Engineering	0	0
129	841 Operation Labor and Expenses	0	0
130	842 Rents	0	0
131	842.1 Fuel	0	0
132	842.2 Power	0	0
133	842.3 Gas Losses	0	0
134	TOTAL Operation (Total of lines 128 thru 133)	0	0
135	Maintenance		
136	843.1 Maintenance Supervision and Engineering	0	0
137	843.2 Maintenance of Structures	0	0
138	843.3 Maintenance of Gas Holders	0	0
139	843.4 Maintenance of Purification Equipment	0	0
140	843.5 Maintenance of Liquefaction Equipment	0	0
141	843.6 Maintenance of Vaporizing Equipment	0	0
142	843.7 Maintenance of Compressor Equipment	0	0
143	843.8 Maintenance of Measuring and Regulating Equipment	0	0
144	843.9 Maintenance of Other Equipment	0	0
145	TOTAL Maintenance (Total of lines 136 thru 144)	0	0
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)	0	0

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
147	C. Liquefied Natural Gas Terminating and Processing Expenses		
148	Operation		
149	844.1 Operation Supervision and Engineering	0	0
150	844.2 LNG Processing Terminal Labor and Expenses	0	0
151	844.3 Liquefaction Processing Labor and Expenses	0	0
152	844.4 Liquefaction Transportation Labor and Expenses	0	0
153	844.5 Measuring and Regulating Labor and Expenses	0	0
154	844.6 Compressor Station Labor and Expenses	0	0
155	844.7 Communication System Expenses	0	0
156	844.8 System Control and Load Dispatching	0	0
157	845.1 Fuel	0	0
158	845.2 Power	0	0
159	845.3 Rents	0	0
160	845.4 Demurrage Charges	0	0
161	(less) 845.5 Wharfage Receipts-Credit	0	0
162	845.6 Processing Liquefied or Vaporized Gas by Others	0	0
163	846.1 Gas Losses	0	0
164	846.2 Other Expenses	0	0
165	TOTAL Operation (Total of lines 149 thru 164)	0	0
166	Maintenance		
167	847.1 Maintenance Supervision and Engineering	0	0
168	847.2 Maintenance of Structures and Improvements	0	0
169	847.3 Maintenance of LNG Processing Terminal Equipment	0	0
170	847.4 Maintenance of LNG Transportation Equipment	0	0
171	847.5 Maintenance of Measuring and Regulating Equipment	0	0
172	847.6 Maintenance of Compressor Station Equipment	0	0
173	847.7 Maintenance of Communication Equipment	0	0
174	847.8 Maintenance of Other Equipment	0	0
175	TOTAL Maintenance (Total of lines 167 thru 174)	0	0
176	TOTAL Liquefied Nat Gas Terminating and Proc Exp (Total of lines 165 and 175)	0	0
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	27,085,090	24,649,846

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
178	3. TRANSMISSION EXPENSES		
179	Operation		
180	850 Operation Supervision and Engineering	3,363,353	5,918,171
181	851 System Control and Load Dispatching	1,098,046	932,360
182	852 Communication System Expenses	2,435,334	4,377,408
183	853 Compressor Station Labor and Expenses	10,973,377	11,618,709
184	854 Gas for Compressor Station Fuel	54,679,590	36,306,986
185	855 Other Fuel and Power for Compressor Stations	19,656,649	13,596,128
186	856 Mains Expenses	17,797,535	10,246,428
187	857 Measuring and Regulating Station Expenses	1,643,335	1,324,541
188	858 Transmission and Compression of Gas by Others	6,650,498	1,061,594
189	859 Other Expenses	4,922,279	6,154,841
190	860 Rents	152,378	105,853
191	TOTAL Operation (Total of lines 180 thru 190)	123,372,374	91,643,019
192	Maintenance		
193	861 Maintenance Supervision and Engineering	291,611	496,061
194	862 Maintenance of Structures and Improvements	175,061	146,361
195	863 Maintenance of Mains	12,437,256	20,102,880
196	864 Maintenance of Compressor Station Equipment	12,896,933	13,414,191
197	865 Maintenance of Measuring and Regulating Station Equipment	1,998,596	2,189,805
198	866 Maintenance of Communication Equipment	59,887	50,735
199	867 Maintenance of Other Equipment	1,037,273	147,721
200	TOTAL Maintenance (Total of lines 193 thru 199)	28,896,617	36,547,754
201	TOTAL Transmission Expenses (Total of lines 191 and 200)	152,268,991	128,190,773
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	0	0
205	871 Distribution Load Dispatching	0	0
206	872 Compressor Station Labor and Expenses	0	0
207	873 Compressor Station Fuel and Power	0	0

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
235	904 Uncollectible Accounts	(215,783)	(12,039)
236	905 Miscellaneous Customer Accounts Expenses	0	0
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	(215,783)	112,974
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision	0	252,358
241	908 Customer Assistance Expenses	5,823,556	7,064,133
242	909 Informational and Instructional Expenses	0	0
243	910 Miscellaneous Customer Service and Informational Expenses	0	0
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	5,823,556	7,316,491
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision	0	0
248	912 Demonstrating and Selling Expenses	0	0
249	913 Advertising Expenses	0	0
250	916 Miscellaneous Sales Expenses	0	0
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	0	0
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	17,639,459	20,076,081
255	921 Office Supplies and Expenses	1,297,045	2,965,187
256	(Less) 922 Administrative Expenses Transferred-Credit	1,072,271	4,620,464
257	923 Outside Services Employed	21,369,903	26,244,145
258	924 Property Insurance	1,966,202	6,990,304
259	925 Injuries and Damages	3,359,882	3,000
260	926 Employee Pensions and Benefits	8,789,878	6,995,847
261	927 Franchise Requirements	0	0
262	928 Regulatory Commission Expenses	1,482,155	1,962,679
263	(Less) 929 Duplicate Charges-Credit	0	0
264	930.1 General Advertising Expenses	0	0
265	930.2 Miscellaneous General Expenses	1,657,161	(835,009)
266	931 Rents	3,025,442	2,355,288
267	TOTAL Operation (Total of lines 254 thru 266)	59,514,856	62,137,058
268	Maintenance		
269	932 Maintenance of General Plant	0	0
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	59,514,856	62,137,058
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	178,959,808	177,168,796

1. Report below details by zone and rate schedule concerning the gas quantities and related dollar amount of imbalances associated with system balancing and no-notice service. Also, report certificated natural gas exchange transactions during the year. Provide subtotals for imbalance and no-notice quantities for exchanges. If respondent does not have separate zones, provide totals by rate schedule. Minor exchange transactions (less than 100,000 Dth) may be grouped.

Line No.	Zone/Rate Schedule (a)	Gas Received from Others	Gas Received from Others	Gas Delivered to Others	Gas Delivered to Others
		Amount	Dth	Amount	Dth
		(b)	(c)	(d)	(e)
1	X - Bear Creek				
2	Subtotal Exchange				
3	IT	20,347,682	4,349,498	8,324,982	1,779,539
4	FT	13,434,903	2,871,830	16,833,284	3,598,264
5	FTNN	2,009,961	429,647	2,517,027	538,037
6	Supply Pool Balancing	33,716,277	7,207,154	35,793,477	7,651,174
7	Operation Balancing	27,222,040	5,818,953	25,483,221	5,447,265
8	Subtotal System Balancing	96,730,863	20,677,082	88,951,991	19,014,279
9					
10	Park and Loan			1,797,151	754,313
11	Subtotal Park and Loan			1,797,151	754,313
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25	Total	96,730,863	20,677,082	90,749,142	19,768,592

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
FOOTNOTE DATA			

Schedule Page: 328 Line No.: 1 Column: a

Exchange imbalances for the company net to zero and are not reported. In previous years, exchange imbalances that netted to zero were shown as both receipts and deliveries.

Schedule Page: 328 Line No.: 10 Column: d

	Dth	\$
Current Year Park and Loan (delivery)	(754,313)	(1,797,151)
Prior Year(s) cumulative balance (receipt)	<u>2,562,896</u>	<u>6,106,100</u>
Net (receipt)	<u>1,808,583</u>	<u>4,308,949</u>
	=====	=====

The amount shown is the current year activity. The cumulative balance related to previous years was recorded in the current year but is not shown on this page. This footnote also applies to column (e).

Gas Used in Utility Operations						
1. Report below details of credits during the year to Accounts 810, 811, and 812. 2. If any natural gas was used by the respondent for which a charge was not made to the appropriate operating expense or other account, list separately in column (c) the Dth of gas used, omitting entries in column (d).						
Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas Gas Used Dth (c)	Natural Gas Amount of Credit (in dollars) (d)	Natural Gas Amount of Credit (in dollars) (d)	Natural Gas Amount of Credit (in dollars) (d)
1	810 Gas Used for Compressor Station Fuel - Credit	819, 854	13,066,980	59,032,087		
2	811 Gas Used for Products Extraction - Credit					
3	Gas Shrinkage and Other Usage in Respondent's Own Processing					
4	Gas Shrinkage, etc. for Respondent's Gas Processed by Others					
5	812 Gas Used for Other Utility Operations - Credit (Report separately for each principal use. Group minor uses.)					
6	Storage Lines Expense	817	11,457	54,669		
7	Storage Compressor Expense	818	106,535	529,047		
8	Transmission Compressor Expense	853	196,350	897,509		
9	Mains Expense	856	352,724	1,661,318		
10	Transmission of gas by others	858	44,595	179,620		
11	Capitalized fuel use	107	82,127	337,796		
12	Capitalized Retirement fuel use	108	19,908	85,614		
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	Total		13,880,676	62,777,660		

Name of Respondent 20110413-8000 FERC PDF (Unofficial) 04/13/2011 Southern Natural Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2010/Q4
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Transmission and Compression of Gas by Others (Account 858)				
1. Report below details concerning gas transported or compressed for respondent by others equalling more than 1,000,000 Dth and amounts of payments for such services during the year. Minor items (less than 1,000,000) Dth may be grouped. Also, include in column (c) amounts paid as transition costs to an upstream pipeline. 2. In column (a) give name of companies, points of delivery and receipt of gas. Designate points of delivery and receipt so that they can be identified readily on a map of respondent's pipeline system. 3. Designate associated companies with an asterisk in column (b).				
Line No.	Name of Company and Description of Service Performed (a)	* (b)	Amount of Payment (in dollars) (c)	Dth of Gas Delivered (d)
1	AGL/Magnolia Lease Payment		6,369,564	
2	Tennessee Gas Pipeline Interruptible Transportation	*	101,314	11,780,744
3	Minor Items (less than 1,000,000 Dth)	*	179,620	44,595
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25	Total		6,650,498	11,825,339

Other Gas Supply Expenses (Account 813)

1. Report other gas supply expenses by descriptive titles that clearly indicate the nature of such expenses. Show maintenance expenses, revaluation of monthly encroachments recorded in Account 117.4, and losses on settlements of imbalances and gas losses not associated with storage separately. Indicate the functional classification and purpose of property to which any expenses relate. List separately items of \$250,000 or more.

Line No.	Description (a)	Amount (in dollars) (b)
1	Revaluation of system gas to current market price on pipeline	(3,923,470)
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25	Total	(3,923,470)

Miscellaneous General Expenses (Account 930.2)

1. Provide the information requested below on miscellaneous general expenses.
2. For Other Expenses, show the (a) purpose, (b) recipient and (c) amount of such items. List separately amounts of \$250,000 or more however, amounts less than \$250,000 may be grouped if the number of items of so grouped is shown.

Line No.	Description (a)	Amount (in dollars) (b)
1	Industry association dues.	409,844
2	Experimental and general research expenses.	
	a. Gas Research Institute (GRI)	
	b. Other	
3	Publishing and distributing information and reports to stockholders, trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the respondent	23,140
4	Other expenses	
5	BNP Paribas - Letter of Credit Fee for Southeast Supply Header (SESH)	1,221,098
6	Other - 13 Items	3,079
7		
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24		
25	Total	1,657,161

Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments)

1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown.
2. Report in Section B, column (b) all depreciable or amortizable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a). Indicate in a footnote the manner in which column (b) balances are

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (d)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (e)
1	Intangible plant				
2	Production plant, manufactured gas				
3	Production and gathering plant, natural gas				
4	Products extraction plant				
5	Underground gas storage plant	1,264,615			
6	Other storage plant				
7	Base load LNG terminaling and processing plant				
8	Transmission plant	48,085,940	1,298		
9	Distribution plant				
10	General plant	2,914,149			
11	Common plant-gas				
12	TOTAL	52,264,704	1,298		

Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (continued)

obtained. If average balances are used, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method is used to determine depreciation charges, show in a footnote any revisions made to estimated gas reserves.

3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state in a footnote the amounts and nature of the provisions and the plant items to which related.

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Amortization of Other Limited-term Gas Plant (Account 404.3) (f)	Amortization of Other Gas Plant (Account 405) (g)	Total (b to g) (h)	Functional Classification (a)
1	5,117,143		5,117,143	Intangible plant
2				Production plant, manufactured gas
3				Production and gathering plant, natural gas
4				Products extraction plant
5			1,264,615	Underground gas storage plant
6				Other storage plant
7				Base load LNG terminaling and processing plant
8			48,087,238	Transmission plant
9				Distribution plant
10	443,688		3,357,837	General plant
11				Common plant-gas
12	5,560,831		57,826,833	TOTAL

Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (continued)

4. Add rows as necessary to completely report all data. Number the additional rows in sequence as 2.01, 2.02, 3.01, 3.02, etc.

Section B. Factors Used in Estimating Depreciation Charges

Line No.	Functional Classification (a)	Plant Bases (in thousands) (b)	Applied Depreciation or Amortization Rates (percent) (c)
1	Production and Gathering Plant		
2	Offshore (footnote details)		
3	Onshore (footnote details)		
4	Underground Gas Storage Plant (footnote details)	88,576	1.43
5	Transmission Plant		
6	Offshore (footnote details)	296,429	0.90
7	Onshore (footnote details)	3,002,788	1.55
8	General Plant (footnote details)	39,138	0.00
9	Intangible Plant	91,745	0.00
10			
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15			

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2010/Q4
Southern Natural Gas Company			
FOOTNOTE DATA			

Schedule Page: 336 Line No.: 4 Column: b

Underground Storage (in thousands)

Page 207 Ln 57 Col (g)

Less: Land

\$ 89,037

(461)

\$ 88,576

=====

Schedule Page: 336 Line No.: 7 Column: b

Transmission Plant (in thousands)

Page 209 Ln 92 col (g)

Less: Transmission - offshore

Less: Land

\$ 3,311,483

(296,429)

(12,266)

\$ 3,002,788

=====

Schedule Page: 336 Line No.: 8 Column: cRates

Office Furniture and Equipment

6.67%

Data Processing/Electronic Testing

20.00%

Vehicles

20.00%

Aircraft/Boats/Auto Trailers

5.00%

Stores Equipment

3.33%

Tools, Shop, Garage, and Laboratory Equipment

6.67%

Power Equipment

6.67%

Communication Equipment

12.50%

Miscellaneous Equipment

5.00%

Leasehold Improvements

10.00%

Schedule Page: 336 Line No.: 9 Column: c

Amortization Rates:

Rates

Franchises and Consents

2.80%

Miscellaneous

GIS System

10.00%

SCADA System

10.00%

PSDI Maximo System

10.00%

Reliability Software

10.00%

COMET Compressor System

10.00%

Outlook Development

10.00%

SED Intranet Training Module

10.00%

GEOFUSION

10.00%

RDSMACC Software

10.00%

Premier Core Application

4.00%

Alagasco – GE Plastics

8.33%

GA Power – Ellerslie C/S

10.00%

Cypress CIAC – JEA

10.00%

Cypress CIAC – FGT

5.00%

Short Creek M/S

10.00%

Particulars Concerning Certain Income Deductions and Interest Charges Accounts

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts.

(a) Miscellaneous Amortization (Account 425)-Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) Miscellaneous Income Deductions-Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$250,000 may be grouped by classes within the above accounts.

(c) Interest on Debt to Associated Companies (Account 430)-For each associated company that incurred interest on debt during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) Other Interest Expense (Account 431) - Report details including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	Account 426.1 - Donations	44,620
2	Account 426.3 - Penalties	(46,573)
3	Account 426.4 - Civic, Political & Related Expenses	17,478
4	Account 426.5 - Securitization Fees	560,109
5	Total Account 426	575,634
6		
7	Account 430 - Cash Pool Interest (market interest rate)	1,221
8	Total Account 430	1,221
9		
10	Account 431 - Sales/Use Tax Audit (2002-2005)	200,753
11	Account 431 - Fuel Sharing (FERC Interest Rate)	61,384
12	Account 431 - Other	1,291
13	Total Account 431	263,428
14		
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
FOOTNOTE DATA			

Schedule Page: 340 Line No.: 2 Column: b

Reversal of prior year accrual	\$ (120,000)
Other penalties	<u>73,427</u>
Total Account 426.3	\$ (46,573)
	=====

Regulatory Commission Expenses (Account 928)

1. Report below details of regulatory commission expenses incurred during the current year (or in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.
2. In column (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.

Line No.	Description (Furnish name of regulatory commission or body, the docket number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	Federal Energy Regulatory Commission Docket No. RM87-3				
2	Annual Charge Adjustment (12-Month Amortization FY 2010)	1,505,550		1,505,550	1,105,768
3					
4					
5					
6					
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10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25	Total	1,505,550		1,505,550	1,105,768

Regulatory Commission Expenses (Account 928)

3. Show in column (k) any expenses incurred in prior years that are being amortized. List in column (a) the period of amortization.
4. Identify separately all annual charge adjustments (ACA).
5. List in column (f), (g), and (h) expenses incurred during year which were charges currently to income, plant, or other accounts.
6. Minor items (less than \$250,000) may be grouped.

Line No.	Expenses Incurred During Year Charged Currently To Department (f)	Expenses Incurred During Year Charged Currently To Account No. (g)	Expenses Incurred During Year Charged Currently To Amount (h)	Expenses Incurred During Year Deferred to Account 182.3 (i)	Amortized During Year Contra Account (j)	Amortized During Year Amount (k)	Deferred in Account 182.3 End of Year (l)
1							
2				1,505,550	928	1,482,155	1,129,163
3							
4							
5							
6							
7							
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20							
21							
22							
23							
24							
25				1,505,550		1,482,155	1,129,163

1. Report below the items contained in Account 926, Employee Pensions and Benefits.

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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2010/Q4
Southern Natural Gas Company			
FOOTNOTE DATA			

Schedule Page: 352 Line No.: 6 Column: b
Allocations from Service Company consists of:

Health and Welfare	\$ 2,797,059
Benefits Allocation	<u>(245,895)</u>
	\$ 2,551,164
	=====

Distribution of Salaries and Wages

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals and Other Accounts, and enter such amounts in the appropriate lines and columns provided. Salaries and wages billed to the Respondent by an affiliated company must be assigned to the particular operating function(s) relating to the expenses.

In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used. When reporting detail of other accounts, enter as many rows as necessary numbered sequentially starting with 75.01, 75.02, etc.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
1	Electric				
2	Operation				
3	Production				
4	Transmission				
5	Distribution				
6	Customer Accounts				
7	Customer Service and Informational				
8	Sales				
9	Administrative and General				
10	TOTAL Operation (Total of lines 3 thru 9)				
11	Maintenance				
12	Production				
13	Transmission				
14	Distribution				
15	Administrative and General				
16	TOTAL Maintenance (Total of lines 12 thru 15)				
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)				
19	Transmission (Total of lines 4 and 13)				
20	Distribution (Total of lines 5 and 14)				
21	Customer Accounts (line 6)				
22	Customer Service and Informational (line 7)				
23	Sales (line 8)				
24	Administrative and General (Total of lines 9 and 15)				
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)				
26	Gas				
27	Operation				
28	Production - Manufactured Gas				
29	Production - Natural Gas(Including Exploration and Development)				
30	Other Gas Supply				
31	Storage, LNG Terminaling and Processing		261,071		261,071
32	Transmission		15,988,549		15,988,549
33	Distribution				
34	Customer Accounts				
35	Customer Service and Informational		918,801		918,801
36	Sales				
37	Administrative and General		17,255,693		17,255,693
38	TOTAL Operation (Total of lines 28 thru 37)		34,424,114		34,424,114
39	Maintenance				
40	Production - Manufactured Gas				
41	Production - Natural Gas(Including Exploration and Development)				
42	Other Gas Supply				
43	Storage, LNG Terminaling and Processing		469,390		469,390
44	Transmission		11,207,380		11,207,380
45	Distribution				

Distribution of Salaries and Wages (continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
46	Administrative and General				
47	TOTAL Maintenance (Total of lines 40 thru 46)		11,676,770		11,676,770
48	Gas (Continued)				
49	Total Operation and Maintenance				
50	Production - Manufactured Gas (Total of lines 28 and 40)				
51	Production - Natural Gas (Including Expl. and Dev.)(ll. 29 and 41)				
52	Other Gas Supply (Total of lines 30 and 42)				
53	Storage, LNG Terminaling and Processing (Total of ll. 31 and 43)		730,461		730,461
54	Transmission (Total of lines 32 and 44)		27,195,929		27,195,929
55	Distribution (Total of lines 33 and 45)				
56	Customer Accounts (Total of line 34)				
57	Customer Service and Informational (Total of line 35)		918,801		918,801
58	Sales (Total of line 36)				
59	Administrative and General (Total of lines 37 and 46)		17,255,693		17,255,693
60	Total Operation and Maintenance (Total of lines 50 thru 59)		46,100,884		46,100,884
61	Other Utility Departments				
62	Operation and Maintenance				
63	TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62)		46,100,884		46,100,884
64	Utility Plant				
65	Construction (By Utility Departments)				
66	Electric Plant				
67	Gas Plant		4,137,067		4,137,067
68	Other				
69	TOTAL Construction (Total of lines 66 thru 68)		4,137,067		4,137,067
70	Plant Removal (By Utility Departments)				
71	Electric Plant				
72	Gas Plant		136,041		136,041
73	Other				
74	TOTAL Plant Removal (Total of lines 71 thru 73)		136,041		136,041
75	Other Accounts (Specify) (footnote details)		11,060		11,060
76	TOTAL Other Accounts		11,060		11,060
77	TOTAL SALARIES AND WAGES		50,385,052		50,385,052

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
FOOTNOTE DATA			

Schedule Page: 354		Line No.: 75		Column: c	
Account 186		\$ 11,060			
		=====			

Charges for Outside Professional and Other Consultative Services

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered for the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$250,000, including payments for legislative services, except those which should be reported in Account 426.4 Expenditures for Certain Civic, Political and Related Activities.

- (a) Name of person or organization rendering services.
- (b) Total charges for the year.

2. Sum under a description "Other", all of the aforementioned services amounting to \$250,000 or less.

3. Total under a description "Total", the total of all of the aforementioned services.

4. Charges for outside professional and other consultative services provided by associated (affiliated) companies should be excluded from this schedule and be reported on Page 358, according to the instructions for that schedule.

Line No.	Description (a)	Amount (in dollars) (b)
1	Action Environmental, LLC	344,985
2	Aecom, Inc.	279,559
3	AK Environmental, LLC	294,247
4	Apache Corporation	432,493
5	Baker Hughes	374,584
6	BI Con Services	715,205
7	Brock Services, LTD Texas	604,665
8	BWC Bluewater Constructors, Inc.	325,042
9	Ceco Pipeline Services Co, Inc.	2,285,149
10	CMC Chet Morrison Contractors, LLC	1,065,494
11	Coates Field Service, Inc.	380,036
12	Community Construction, Inc.	757,398
13	Corrpro Companies, Inc.	526,933
14	Deramus Excavating, Inc.	326,065
15	Dresser Rand Arrow Services, Inc.	347,033
16	EN Engineering, LLC	655,416
17	Energy Services South, LLC	1,369,640
18	Englobal	3,908,531
19	Foster & Associates, Inc.	990,686
20	GE Oil & Gas PII North America	2,529,129
21	Golden Field Services, Inc.	1,640,141
22	Gulf Interstate Field Services, Inc.	463,693
23	L E Bell Const. Co, Inc.	22,373,817
24	M G Dyess, Inc.	1,570,147
25	M P G Pipeline Contractors, LLC	9,347,552
26	MI Moody International, Inc.	388,910
27	Mustang Engineering, LP	719,925
28	NVI Nondestructive & Visual Inspection	2,880,345
29	Pattons Service Company, Inc.	252,894
30	PCM Pipeline Construction & Maintenance	4,178,055
31	Pilgrim Construction Company, LLC	4,478,128
32	Project Consulting Services, Inc	1,222,986
33	QC Onshore Quality Control Specialists	4,013,700
34	QIS Quality Integrated Services, Inc.	322,356
35	Rosen USA	878,514

Charges for Outside Professional and Other Consultative Services (continued)		
Line No.	Description (a)	Amount (in dollars) (b)
1	Solar Turbines Incorporated	287,686
2	Southeast Supply Header, LLC	9,569,872
3	Stringer Construction Co, LLC	508,112
4	Sunland Construction, Inc.	34,867,027
5	T. Baker Smith, Inc.	515,160
6	Waldemar's S. Nelson and Company, Inc.	917,095
7	Weaver, LLC	1,717,589
8	Wyco, Inc.	443,157
9	Other	15,675,199
10	Total	137,744,350
11		
12		
13		
14		
15		
16		
17		
18		
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Transactions with Associated (Affiliated) Companies

1. Report below the information called for concerning all goods or services received from or provided to associated (affiliated) companies amounting to more than \$250,000.
2. Sum under a description "Other", all of the aforementioned goods and services amounting to \$250,000 or less.
3. Total under a description "Total", the total of all of the aforementioned goods and services.
4. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote the basis of the allocation.

Line No.	Description of the Good or Service (a)	Name of Associated/Affiliated Company (b)	Account(s) Charged or Credited (c)	Amount Charged or Credited (d)
1	Goods or Services Provided by Affiliated Company			
2	Operational Support	SNG Pipeline Service Company	Various	36,297,781
3	General and Administrative Services	El Paso Corporation	Various	42,311,506
4	General, Administrative, Environmental and Pipeline Services	Tennessee Gas Pipeline Company	Various	17,952,190
5	Contract Storage	Bear Creek Storage Company, L.L.C.	824	17,756,397
6	Total			114,317,874
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20	Goods or Services Provided for Affiliated Company			
21	General and Administrative Services	Southern LNG Company, L.L.C.	Various	2,085,947
22	General and Administrative Services	Elba Express Company, L.L.C.	Various	200,902
23	General and Administrative Services	Bear Creek Storage Company, L.L.C.	Various	1,368,645
24	Total			3,655,494
25				
26				
27				
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2010/Q4
Southern Natural Gas Company			
FOOTNOTE DATA			

Schedule Page: 358 Line No.: 2 Column: c

Accounts Charged:

232	\$ 1,100,552
408.1	2,235,131
818	867,167
850	1,501,873
851	1,480,110
853	11,600,910
856	1,378,057
857	439,985
859	910,837
861	282,708
863	242,837
864	679,787
908	918,801
920	5,445,001
921	240,521
922	(651,947)
926	7,810,711
930.2	1,011
931	(186,271)
	<u>\$ 36,297,781</u>
	=====

Schedule Page: 358 Line No.: 3 Column: a

El Paso Corporation bills us directly for certain general and administrative costs and allocates a portion of its general and administrative costs to us. The allocations from El Paso Corporation are based on the estimated level of effort devoted to our operations and the relative size of our and El Paso Corporation's EBIT, gross property, and payroll.

Schedule Page: 358 Line No.: 3 Column: c

Accounts Charged:

408.1	\$ 1,913,494
852	1,336,061
859	1,475,324
920	10,806,989
921	65,310
923	19,826,075
924	1,966,202
925	3,359,882
926	1,080,754
931	<u>481,415</u>
	<u>\$ 42,311,506</u>
	=====

Schedule Page: 358 Line No.: 4 Column: a

Tennessee Gas Pipeline Company allocates costs to us for our proportionate share of general, administrative, environmental, and pipeline services. The allocations are based on the estimated level of effort devoted to our operations.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2010/Q4
Southern Natural Gas Company			
FOOTNOTE DATA			

Schedule Page: 358 Line No.: 4 Column: c

Accounts Charged:

253	\$	99,593
408.1		855,203
816		66,743
830		11,124
832		180,830
850		1,187,511
853		294,067
856		7,325,580
857		348,374
859		56,124
863		1,213,703
864		1,691,210
865		6,529
920		1,972,303
921		29,321
923		506,495
926		2,107,480
		<u>\$17,952,190</u>
		=====

Schedule Page: 358 Line No.: 21 Column: a

We provide administrative services to Southern LNG Company, LLC including: executive support, customer services, volume analysis, nominations and scheduling, gas control, marketing, and maintenance. This allocation is based on estimated employee effort devoted to their business.

Schedule Page: 358 Line No.: 21 Column: c

Accounts Charged:

408.1	\$	30,082
844.1		72,420
844.8		99,996
920		1,087,365
926		796,084
		<u>\$2,085,947</u>
		=====

Schedule Page: 358 Line No.: 22 Column: a

We provide administrative services to Elba Express Company, LLC including: executive support, customer services, volume analysis, nominations and scheduling, gas control, marketing, and maintenance. This allocation is based on estimated employee effort devoted to their business.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2010/Q4
Southern Natural Gas Company			
FOOTNOTE DATA			

Schedule Page: 358 Line No.: 22 Column: c

Accounts Charged:

408.1	\$	22,068
851		134,945
852		2,215
859		1,385
920		218,453
923		(239,105)
926		<u>60,941</u>
	\$	200,902
		=====

Schedule Page: 358 Line No.: 23 Column: a

We provide administrative services to Bear Creek Storage Company, LLC including: executive support, customer services, volume analysis, nominations and scheduling, gas control, marketing, and maintenance. This allocation is based on estimated employee effort devoted to their business.

Schedule Page: 358 Line No.: 23 Column: c

Accounts Charged:

408.1	\$	69,520
830		289,304
833		77,196
834		212,304
835		77,196
836		192,996
920		240,208
926		<u>209,921</u>
	\$	1,368,645
		=====

Schedule Page: 358 Line No.: 24 Column: d

For affiliate transportation revenue information, see Page 122, Notes to the Financial Statements, Note 13, 'Investment in Affiliate and Transactions with Affiliates.'

Schedule Page: 358 Line No.: 6 Column: d

For affiliate transportation expense information, see Page 332, 'Transmission and Compression of Gas by Others.'

Compressor Stations

1. Report below details concerning compressor stations. Use the following subheadings: field compressor stations, products extraction compressor stations, underground storage compressor stations, transmission compressor stations, distribution compressor stations, and other compressor stations.

2. For column (a), indicate the production areas where such stations are used. Group relatively small field compressor stations by production areas. Show the number of stations grouped. Identify any station held under a title other than full ownership. State in a footnote the name of owner or co-owner, the nature of respondent's title, and percent of ownership if jointly owned.

Line No.	Name of Station and Location (a)	Number of Units at Station (b)	Certificated Horsepower for Each Station (c)	Plant Cost (d)
1	TRANSMISSION COMPRESSOR STATIONS:			
2	Transmission: Reform, Al	13	21,950	20,202,714
3	Transmission: Tarrant, Al	8	12,050	21,985,971
4	Transmission: Dearmanville, Al	8	11,250	13,859,010
5	Transmission: Bell Mills, Al	4	4,815	9,714,106
6	Transmission: Pell City, Al	2	10,390	16,459,355
7	Transmission: York, Al	3	33,320	24,786,441
8	Transmission: Gallion, Al	6	28,670	36,267,063
9	Transmission: Selma, Al	3	33,320	26,028,017
10	Transmission: Elmore, Al	5	26,200	32,836,082
11	Transmission: Auburn, Al	3	33,320	25,056,123
12	Transmission: McConnells, Al	6	8,472	12,374,875
13	Transmission: Duncanville, Al	2	2,600	3,582,931
14	Transmission: Holy Trinity, Al	2	2,400	3,506,462
15	Transmission: Providence, Al	2	10,380	11,974,184
16	Transmission: Ellerslie, Ga	8	18,100	23,101,699
17	Transmission: Thomaston, Ga	4	17,460	26,302,521
18	Transmission: Ocmulgee, Ga	6	9,000	11,912,835
19	Transmission: Hall Gate, Ga	3	11,530	15,298,878
20	Transmission: Rome, Ga	1	3,755	9,086,927
21	Transmission: Wrens, Ga	5	9,170	22,982,499
22	Transmission: Pavo, Ga	1	4,390	4,392,895
23	Transmission: Albany, Ga	3	3,912	5,833,259
24	Transmission: Woodcliff, Ga	1	5,278	67,131
25	Transmission: Brookman, Ga	1	10,000	19,862,125

Compressor Stations (continued)

Line No.	Name of Station and Location (a)	Number of Units at Station (b)	Certificated Horsepower for Each Station (c)	Plant Cost (d)
1	Transmission: Onward, Ms	5	7,600	15,103,305
2	Transmission: Pickens, Ms	2	5,200	12,121,018
3	Transmission: Louisville, Ms	16	16,900	12,374,404
4	Transmission: Gwinville, Ms	9	23,160	35,901,980
5	Transmission: Bay Springs, Ms	2	18,320	11,109,098
6	Transmission: Enterprise, Ms	8	27,720	63,031,157
7	Transmission: Rankin, Ms	5	6,050	6,537,127
8	Transmission: Pearl River, Ms	2	13,000	5,603,965
9	Transmission: Logansport, La	3	3,300	5,663,066
10	Transmission: Bienville, La	4	4,800	8,490,538
11	Transmission: Shadyside, La	5	9,000	13,182,147
12	Transmission: White Castle, La	7	12,600	32,352,324
13	Transmission: Toca, La	10	27,200	64,589,158
14	Transmission: Lacombe, La	1	10,350	14,334,002
15	Transmission: Franklinton, La	10	16,750	31,889,373
16	Transmission: Riceboro, Ga	1	7,684	
17	Transmission: Mississippi Canyon Block 397, Offshore, La	1	2,700	2,773,808
18	SUBTOTAL TRANSMISSION COMPRESSOR STATIONS	191	544,066	732,530,573
19				
20	UNDERGROUND STORAGE COMPRESSORS:			
21	Underground: Muldon, MS	3	21,750	28,321,135
22	SUBTOTAL UNDERGROUND STORAGE COMPRESSOR STATIONS:	3	21,750	28,321,135
23				
24	TOTAL	194	565,816	760,851,708
25				

Compressor Stations

Designate any station that was not operated during the past year. State in a footnote whether the book cost of such station has been retired in the books of account, or what disposition of the station and its book cost are contemplated. Designate any compressor units in transmission compressor stations installed and put into operation during the year and show in a footnote each unit's size and the date the unit was placed in operation.

3. For column (e), include the type of fuel or power, if other than natural gas. If two types of fuel or power are used, show separate entries for natural gas and the other fuel or power.

Line No.	Expenses (except depreciation and taxes) Fuel (e)	Expenses (except depreciation and taxes) Power (f)	Expenses (except depreciation and taxes) Other (g)	Gas for Compressor Fuel in Dth (h)	Electricity for Compressor Station in kWh (i)	Operational Data Total Compressor Hours of Operation During Year (j)	Operational Data Number of Compressors Operated at Time of Station Peak (k)	Date of Station Peak (l)
1								
2	814,665		1,206,573	172,449		15,194	8	12/05/2010
3	1,549,234		1,324,121	345,420		27,632	7	09/21/2010
4	1,551,786		1,227,438	337,346		26,978	8	12/10/2010
5	1,060,607		499,392	237,828		24,405	4	12/08/2010
6	71,180	286,601	239,701	15,522	3,421,815	1,434	1	12/13/2010
7	2,139,442	3,493,456	244,484	447,043	57,903,723	9,236	1	03/22/2010
8	1,302,172	3,285,470	999,082	280,689	63,510,892	18,711	6	02/26/2010
9	1,768,041	2,976,421	343,906	359,955	49,945,521	7,702	1	01/19/2010
10	811,060	3,161,528	1,065,805	174,895	60,123,590	13,218	1	10/29/2010
11	1,419,874	3,139,916	769,511	291,090	51,242,248	7,441	1	11/28/2010
12	208,570		317,938	42,588		2,869	6	01/04/2010
13	132,999		93,388	30,759		7,775	1	04/06/2010
14	334,660		227,968	73,442		9,617	2	02/08/2010
15	382,855		154,158	81,366		1,614	1	11/06/2010
16	1,028,630	1,042,497	1,089,795	218,883	16,183,934	19,954	5	11/09/2010
17	2,140,037		875,983	462,158		15,243	3	03/22/2010
18	2,255,822		748,518	511,270		39,536	6	09/23/2010
19	1,665,955		762,527	372,240		13,138	3	12/30/2010
20	232,590		117,921	47,970		1,232	1	03/03/2010
21	1,012,690	1,369,073	571,418	229,656	23,125,234	27,218	2	12/13/2010
22	381,747		308,458	85,026		3,185	1	12/27/2010
23	693,609		408,052	155,111		13,968	3	12/14/2010
24			33,573					
25		934,154	362,394		13,308,975	3,386	1	06/02/2010

Compressor Stations (continued)

Line No.	Expenses (except depreciation and taxes) Fuel (e)	Expenses (except depreciation and taxes) Power (f)	Expenses (except depreciation and taxes) Other (g)	Gas for Compressor Fuel in Dth (h)	Electricity for Compressor Station in kWh (i)	Operational Data Total Compressor Hours of Operation During Year (j)	Operational Data Number of Compressors Operated at Time of Station Peak (k)	Date of Station Peak (l)
1	928,680		576,955	207,546		13,990	5	02/06/2010
2	598,767		628,731	142,397		8,072	2	11/13/2010
3	1,957,803		1,159,930	447,684		47,476	10	04/25/2010
4	4,013,222		1,042,832	905,366		34,946	6	01/09/2010
5	3,429,843		320,423	722,441		5,195	2	12/26/2010
6	5,226,232		1,919,216	1,163,314		47,213	8	03/04/2010
7	416,329		195,193	97,062		8,534	3	01/02/2010
8	2,960,164		109,159	621,371		6,327	2	01/05/2010
9	489,444		406,282	111,066		12,742	1	10/16/2010
10	1,453,094		507,541	335,651		29,189	4	04/23/2010
11	1,463,333		642,124	327,235		27,661	5	02/17/2010
12	2,997,581		2,009,739	672,413		49,183	7	02/08/2010
13	2,838,515		3,314,852	633,435		35,644	3	06/30/2010
14	48,356		(49,659)	9,455		146	1	01/07/2010
15	2,295,105		1,233,750	503,413		32,410	9	09/25/2010
16	43,850		164,019	9,469		144	1	07/13/2010
17								
18	54,118,543	19,689,116	28,173,191	11,882,024	338,765,932	669,558	142	
19								
20								
21	1,668,792		2,614,039	392,306		7,467	2	
22	1,668,792		2,614,039	392,306		7,467	2	
23								
24	55,787,335	19,689,116	30,787,230	12,274,330	338,765,932	677,025	144	
25								

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
FOOTNOTE DATA			

Schedule Page: 508.1 Line No.: 2 Column: a

Three compression units were abandoned pursuant to Docket CP09-27-000.

Schedule Page: 508.1 Line No.: 17 Column: a

Mississippi Canyon Block 397 - We own 33.3% jointly with Exxon Corporation who operates this unit. Information not available for columns (e) - (l).

Schedule Page: 508.1 Line No.: 24 Column: e

Excludes \$1,583,140 and 362,092 Dth that relate to fuel consumed on jointly owned compression with and operated by Southeast Supply Header, L.L.C.

Schedule Page: 508.1 Line No.: 23 Column: e

Excludes \$1,583,140 and 362,092 Dth that relate to fuel consumed on jointly owned compression with and operated by Southeast Supply Header, L.L.C.

Schedule Page: 508.1 Line No.: 16 Column: a

The Riceboro, GA compressor station is leased from Magnolia Enterprise Holdings, Inc.

Gas Storage Projects

1. Report injections and withdrawals of gas for all storage projects used by respondent.

Line No.	Item (a)	Gas Belonging to Respondent (Dth) (b)	Gas Belonging to Others (Dth) (c)	Total Amount (Dth) (d)
	STORAGE OPERATIONS (in Dth)			
1	Gas Delivered to Storage			
2	January		2,990,809	2,990,809
3	February		2,047,264	2,047,264
4	March	1,688,596	5,601,902	7,290,498
5	April	1,887,956	5,570,992	7,458,948
6	May	2,715,321	5,651,158	8,366,479
7	June	3,938,932	4,205,737	8,144,669
8	July	3,660,505	5,024,191	8,684,696
9	August	2,610,459	4,920,427	7,530,886
10	September	1,346,931	5,464,381	6,811,312
11	October	1,572,493	4,337,373	5,909,866
12	November	83,943	3,691,762	3,775,705
13	December	654,312	2,040,819	2,695,131
14	TOTAL (Total of lines 2 thru 13)	20,159,448	51,546,815	71,706,263
15	Gas Withdrawn from Storage			
16	January	647,386	16,543,047	17,190,433
17	February	2,767,590	11,269,757	14,037,347
18	March		5,358,660	5,358,660
19	April	327,688	959,036	1,286,724
20	May	2,081,107	512,317	2,593,424
21	June	4,052,484	779,407	4,831,891
22	July	3,006,568	1,146,176	4,152,744
23	August	3,346,468	1,073,206	4,419,674
24	September	639,676	985,270	1,624,946
25	October	904,796	694,740	1,599,536
26	November	2,838,956	3,391,842	6,230,798
27	December	667,744	12,791,254	13,458,998
28	TOTAL (Total of lines 16 thru 27)	21,280,463	55,504,712	76,785,175

Gas Storage Projects

<p>1. On line 4, enter the total storage capacity certificated by FERC.</p> <p>2. Report total amount in Dth or other unit, as applicable on lines 2, 3, 4, 7. If quantity is converted from Mcf to Dth, provide conversion factor in a footnote.</p>

Line No.	Item (a)	Total Amount (b)
	STORAGE OPERATIONS	
1	Top or Working Gas End of Year	18,086,804
2	Cushion Gas (Including Native Gas)	63,674,600
3	Total Gas in Reservoir (Total of line 1 and 2)	81,761,404
4	Certificated Storage Capacity	95,604,600
5	Number of Injection - Withdrawal Wells	71
6	Number of Observation Wells	2
7	Maximum Days' Withdrawal from Storage	675,009
8	Date of Maximum Days' Withdrawal	01/04/2010
9	LNG Terminal Companies (in Dth)	
10	Number of Tanks	
11	Capacity of Tanks	
12	LNG Volume	
13	Received at "Ship Rail"	
14	Transferred to Tanks	
15	Withdrawn from Tanks	
16	"Boil Off" Vaporization Loss	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
FOOTNOTE DATA			

Schedule Page: 513 Line No.: 2 Column: b

The Muldon Storage field has a certificated cushion gas of 61,820,000 Mcf. (Decatherm equivalent 63,674,600 by a factor of 1.021).

Schedule Page: 513 Line No.: 4 Column: b

The Muldon Storage field has a certificated total storage capacity of 92,820,000 Mcf. (Decatherm equivalent 95,604,600 by a factor of 1.021).

Transmission Lines

1. Report below, by state, the total miles of transmission lines of each transmission system operated by respondent at end of year.
2. Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk, in column (b) and in a footnote state the name of owner, or co-owner, nature of respondent's title, and percent ownership if jointly owned.
3. Report separately any line that was not operated during the past year. Enter in a footnote the details and state whether the book cost of such a line, or any portion thereof, has been retired in the books of account, or what disposition of the line and its book costs are contemplated.
4. Report the number of miles of pipe to one decimal point.

Line No.	Designation (Identification) of Line or Group of Lines (a)	* (b)	Total Miles of Pipe (c)
1	Full Ownership: Operated by Respondent:		
2	Alabama		2,013.90
3	Florida		213.70
4	Georgia		2,188.40
5	Louisiana		1,515.00
6	Mississippi		1,349.10
7	South Carolina		53.60
8	Tennessee		14.80
9	Texas		30.00
10			
11	Less than Full Ownership: Operated by Respondent:		
12	Louisiana	*	65.90
13			
14	Less than Full Ownership: Not Operated by Respondent:		
15	Louisiana	*	145.00
16	Mississippi	*	79.30
17			
18			
19			
20			
21			
22			
23			
24			
25	Total		7,668.70

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
FOOTNOTE DATA			

Schedule Page: 514 Line No.: 12 Column: c

Miles	Name of Line	Joint Owner	Percentage
23.2	16" Mississippi Canyon Block 311	Florida Gas Transmission	74.00
3.0	6" Main Pass Block 311	Tennessee Gas Pipeline	66.67
13.9	14" & 18" Mississippi Canyon Block 194	Williams, ANR Pipeline	74.00
25.8	16" Mississippi Canyon Block 194	Williams, ANR Pipeline	46.91

Schedule Page: 514 Line No.: 15 Column: c

Miles	Name of Line	Joint Owner and/ Operator	Percentage
22.6	36" Bear Creek-Jonesboro Line	Tennessee Gas Pipeline	50.00
8.9	24" Toca-Yscloskey Line	Tennessee Gas Pipeline	50.00
17.8	16" East Cameron Block 23 Line	Columbia Gulf	25.00
0.2	8" Eugene Island Block 341 Line	NGPL	25.00
3.9	12" South Pass Block 57-58 Line	Tennessee Gas Pipeline	20.00
6.0	12" Eugene Island Block 108 Line	Williams Gas Pipeline	34.00
0.9	8" Brazos Block A-47	Williams Gas Pipeline	33.33
3.1	10" Escambia Creek Field Line	Florida Gas	50.00
18.0	24" Matagorda Island Block 665-SA	Northern Natural Gas	21.40
5.0	24" Matagorda Island Block 665-686	Northern Natural Gas	21.40
22.0	24" Matagorda Island Block SA Bay	Northern Natural Gas	21.40
36.6	Southeast Supply Header	Southeast Supply Header	11.91

Schedule Page: 514 Line No.: 16 Column: c

Miles	Name of Line	Joint Owner and/ Operator	Percentage
79.3	Southeast Supply Header	Southeast Supply Header	11.91

Transmission System Peak Deliveries

1. Report below the total transmission system deliveries of gas (in Dth), excluding deliveries to storage, for the period of system peak deliveries indicated below, during the 12 months embracing the heating season overlapping the year's end for which this report is submitted. The season's peak normally will be reached before the due date of this report, April 30, which permits inclusion of the peak information required on this page. Add rows as necessary to report all data. Number additional rows 6.01, 6.02, etc.

Line No.	Description	Dth of Gas Delivered to Interstate Pipelines (b)	Dth of Gas Delivered to Others (c)	Total (b) + (c) (d)
	SECTION A: SINGLE DAY PEAK DELIVERIES			
1	Date: December 13, 2010			
2	Volumes of Gas Transported			
3	No-Notice Transportation	26,679	879,483	906,162
4	Other Firm Transportation	575,188	2,377,919	2,953,107
5	Interruptible Transportation	92,624	340,891	433,515
6	Other (Describe) (footnote details)	(87,322)		(87,322)
7	TOTAL	607,169	3,598,293	4,205,462
8	Volumes of gas Withdrawn form Storage under Storage Contract			
9	No-Notice Storage		684,397	684,397
10	Other Firm Storage			
11	Interruptible Storage		124,415	124,415
12	Other (Describe) (footnote details)			
13	TOTAL		808,812	808,812
14	Other Operational Activities			
15	Gas Withdrawn from Storage for System Operations		5,918	5,918
16	Reduction in Line Pack		46,915	46,915
17	Other (Describe) (footnote details)			
18	TOTAL		52,833	52,833
19	SECTION B: CONSECUTIVE THREE-DAY PEAK DELIVERIES			
20	Dates: December 13-15, 2010			
21	Volumes of Gas Transported			
22	No-Notice Transportation	104,031	2,473,580	2,577,611
23	Other Firm Transportation	1,622,314	6,764,240	8,386,554
24	Interruptible Transportation	471,090	930,932	1,402,022
25	Other (Describe) (footnote details)	(337,776)		(337,776)
26	TOTAL	1,859,659	10,168,752	12,028,411
27	Volumes of Gas Withdrawn from Storage under Storage Contract			
28	No-Notice Storage		1,815,444	1,815,444
29	Other Firm Storage			
30	Interruptible Storage		408,139	408,139
31	Other (Describe) (footnote details)			
32	TOTAL		2,223,583	2,223,583
33	Other Operational Activities			
34	Gas Withdrawn from Storage for System Operations		61,294	61,294
35	Reduction in Line Pack		(61,063)	(61,063)
36	Other (Describe) (footnote details)			
37	TOTAL		231	231

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2010/Q4
Southern Natural Gas Company			
FOOTNOTE DATA			

Schedule Page: 518 Line No.: 6 Column: b
Operational balancing agreements.

Schedule Page: 518 Line No.: 25 Column: b
Operational balancing agreements.

Auxiliary Peaking Facilities					
1. Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installations, gas liquefaction plants, oil gas sets, etc. 2. For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted. For other facilities, report the rated maximum daily delivery capacities. 3. For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.					
Line No.	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility Dth (c)	Cost of Facility (in dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery?
1	Monroe County, MS - Muldon Field	Underground Storage	765,750	89,037,269	Yes
2	Bienville Parish, LA - Bear Creek Field	Underground Storage	918,900	157,205,775	Yes
3					
4					
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
FOOTNOTE DATA			

Schedule Page: 519 Line No.: 1 Column: c

The Muldon Storage field has a certificated maximum daily delivery capacity of 750,000 Mcf. (Decatherm equivalent 765,750 by a factor of 1.021).

Schedule Page: 519 Line No.: 2 Column: c

The Bear Creek Storage field is owned by Bear Creek Storage Company LLC, a 50 percent owned joint venture between Southern Natural Gas Company and Tennessee Gas Pipeline Company. Bear Creek field has a certificated maximum delivery capacity of 900,000 Mcf of which 50 percent is committed to Respondent. (Decatherm equivalent is 918,900 using a 1.021 factor).

Gas Account - Natural Gas

1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
3. Enter in column (c) the year to date Dth as reported in the schedules indicated for the items of receipts and deliveries.
4. Enter in column (d) the respective quarter's Dth as reported in the schedules indicated for the items of receipts and deliveries.
5. Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.
6. If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose.
7. Indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline.
8. Indicate in a footnote the specific gas purchase expense account(s) and related to which the aggregate volumes reported on line No. 3 relate.
9. Indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.
10. Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional information as necessary to the footnotes.

Line No.	Item (a)	Ref. Page No. of FERC Form Nos. 2/2-A (b)	Total Amount of Dth Year to Date (c)	Current 3 months Ended Amount of Dth Quarterly Only (d)
01 Name of System:				
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)		2,321,418	427,980
4	Gas of Others Received for Gathering (Account 489.1)	303		
5	Gas of Others Received for Transmission (Account 489.2)	305	928,635,416	237,069,700
6	Gas of Others Received for Distribution (Account 489.3)	301		
7	Gas of Others Received for Contract Storage (Account 489.4)	307	57,306,142	16,898,715
8	Exchanged Gas Received from Others (Account 806)	328	0	
9	Gas Received as Imbalances (Account 806)	328	20,677,082	5,531,621
10	Receipts of Respondent's Gas Transported by Others (Account 858)	332	11,825,339	11,825,339
11	Other Gas Withdrawn from Storage (Explain)		21,280,463	4,060,412
12	Gas Received from Shippers as Compressor Station Fuel		15,688,491	4,158,399
13	Gas Received from Shippers as Lost and Unaccounted for			
14	Other Receipts (Specify) (footnote details)		(198,569)	(390,431)
15	Total Receipts (Total of lines 3 thru 14)		1,057,535,782	279,581,735
16	GAS DELIVERED			
17	Gas Sales (Accounts 480-484)		4,199,802	1,270,008
18	Deliveries of Gas Gathered for Others (Account 489.1)	303		
19	Deliveries of Gas Transported for Others (Account 489.2)	305	928,635,416	237,069,700
20	Deliveries of Gas Distributed for Others (Account 489.3)	301		
21	Deliveries of Contract Storage Gas (Account 489.4)	307	57,306,142	16,898,715
22	Exchange Gas Delivered to Others (Account 806)	328		
23	Gas Delivered as Imbalances (Account 806)	328	19,768,592	5,803,713
24	Deliveries of Gas to Others for Transportation (Account 858)	332	11,825,339	11,825,339
25	Other Gas Delivered to Storage (Explain)		20,159,448	2,441,665
26	Gas Used for Compressor Station Fuel	509	13,159,585	3,532,465
27	Other Deliveries (Specify) (footnote details)		2,089,959	573,577
28	Total Deliveries (Total of lines 17 thru 27)		1,057,144,283	279,415,182
29	GAS UNACCOUNTED FOR			
30	Production System Losses			
31	Gathering System Losses			
32	Transmission System Losses		391,499	166,553
33	Distribution System Losses			
34	Storage System Losses			
35	Other Losses (Specify) (footnote details)			
36	Total Unaccounted For (Total of lines 30 thru 35)		391,499	166,553
37	Total Deliveries & Unaccounted For (Total of lines 28 and 36)		1,057,535,782	279,581,735

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2010/Q4
Southern Natural Gas Company			
FOOTNOTE DATA			

Schedule Page: 520 Line No.: 3 Column: c

Gas Purchases - Operational purchases in account 803. This footnote also applies to line 3, column (d).

Schedule Page: 520 Line No.: 8 Column: c

Exchange imbalances for the company net to zero and are not reported. In previous years, exchange imbalances that netted to zero were shown as both receipts and deliveries. This footnote also applies to line 8, column (d) and line 22 columns (c) and (d).

Schedule Page: 520 Line No.: 11 Column: c

Gas withdrawn from storage for system balancing purposes. This footnote also applies to line 11, column (d).

Schedule Page: 520 Line No.: 14 Column: c

	YTD	QTR
Out of period adjustments - 2009	(198,569)	(390,431)

This footnote also applies to line 14, column (d).

Schedule Page: 520 Line No.: 17 Column: c

Gas Sales - Operational sales in account 805. This footnote also applies to line 17, column (d).

Schedule Page: 520 Line No.: 25 Column: c

Gas delivered to storage for system balancing purposes. This footnote also applies to line 25, column (d).

Schedule Page: 520 Line No.: 27 Column: c

	YTD	QTR
Gas used for utility operations	473,561	107,176
Out of period adjustments - 2009	369,605	103,544
Muldon Storage measurement adjustment	647,691	647,691
Construction fuel	102,035	67,198
Estimate to actual variance	(36,156)	(36,156)
Changes in line inventory	258,202	66,340
Physical to transactional differences	275,021	(382,216)
Total	2,089,959	573,577
	=====	=====

This footnote also applies to line 27, column (d).

Shipper Supplied Gas for the Current Quarter

- Report (1) shipper supplied gas for the current quarter and gas consumed in pipeline operations, (2) the disposition of any excess, the accounting recognition given to such disposition and the specific account(s) charged or credited, and (3) the source of gas used to meet any deficiency, the accounting recognition given to the gas used to meet the deficiency, including the accounting basis of the gas and the specific account(s) charged or credited. Also, indicate in a footnote the basis for valuing the gas.
- On lines 1 through 4 report only the dekatherms of gas provided by shippers under tariff terms and conditions for transportation service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for.
- On line 5 report the dekatherms and dollar value of the excess or deficiency in shipper supplied gas.
- On lines 8 through 19 report the dekatherms, the dollar amount and the account(s) credited for the dispositions of gas listed in column (a).
- On lines 23 through 34 report the dekatherms, the dollar amount and the account(s) debited for the sources of gas reported in column (a).

Line No.	Item (a)	Month 1 Dths (b)	Month 1 Amount (c)	Month 1 Account Debited (d)	Month 1 Account Credited (e)
1	Shipper Supplied Gas (Lines 12 and 13 page 520)	1,197,276	4,190,466		
2	Less gas used in compressors	712,877	2,495,070	854	810
3	Less gas used for other operation purposes (footnote)	32,333	113,166	854	812
4	Less gas lost and unaccounted for	85,658	299,803		
5	Net excess or (deficiency)	366,408	1,282,427		
6					
7	Disposition of excess gas:				
8	Gas sold to others				
9	Gas used to meet imbalances				
10	Gas added to system gas	109,226	382,291	117.4	182.3
11	Gas returned to shippers				
12	Other (list)				
13	Gas to be sold for electric compression cost	257,182	900,136	117.4	855
14					
15					
16					
17					
18					
19					
20	Total disposition of excess gas	366,408	1,282,427		
21					
22	Gas acquired to meet deficiency:				
23	System gas				
24	Purchased gas				
25	Other (list)				
26	Gas to be sold for electric compression cost				
27					
28					
29					
30					
31					
32					
33					
34					
35	Total acquired to meet deficiency				

1. Report (1) shipper supplied gas for the current quarter and gas consumed in pipeline operations, (2) the disposition of any excess, the accounting recognition given to such disposition and the specific account(s) charged or credited, and (3) the source of gas used to meet any deficiency, the accounting recognition given to the gas used to meet the deficiency, including the accounting basis of the gas and the specific account(s) charged or credited. Also, indicate in a footnote the basis for valuing the gas.

2. On lines 1 through 4 report only the dekatherms of gas provided by shippers under tariff terms and conditions for transportation service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for.

3. On line 5 report the dekatherms and dollar value of the excess or deficiency in shipper supplied gas.

4. On lines 8 through 19 report the dekatherms, the dollar amount and the account(s) credited for the dispositions of gas listed in column (a).

5. On lines 23 through 34 report the dekatherms, the dollar amount and the account(s) debited for the sources of gas reported in column (a).

FERC FORM NO. 2/3Q (NEW 12-07) Page 521a

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
FOOTNOTE DATA			

Schedule Page: 521 Line No.: 1 Column: d

We use a non-revenue recognition method for shipper-supplied gas which results in accounting entries for net fuel over or under-collected rather than separate revenue entries for shipper-supplied gas and expenses for gas used in compressors. This footnote also applies to line 1, columns (e), (h), (i), (k), and (m).

Schedule Page: 521 Line No.: 3 Column: b

Line 3 consists of known losses. This footnote also applies to line 3, columns (f) and (j).

Schedule Page: 521 Line No.: 10 Column: c

We implemented a dekatherm-tracker mechanism which results in net over-collections debited to a regulatory asset (Account 182.3).

Schedule Page: 521 Line No.: 23 Column: g

We implemented a dekatherm-tracker mechanism which results in net over-collections credited to a regulatory asset (Account 182.3). This footnote also applies to line 23, column (k).

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Southern Natural Gas Company			2010/Q4
System Maps			

1. Furnish five copies of a system map (one with each filed copy of this report) of the facilities operated by the respondent for the production, gathering, transportation, and sale of natural gas. New maps need not be furnished if no important change has occurred in the facilities operated by the respondent since the date of the maps furnished with a previous year's annual report. If, however, maps are not furnished for this reason, reference should be made in the space below to the year's annual report with which the maps were furnished.

2. Indicate the following information on the maps:

- (a) Transmission lines.
- (b) Incremental facilities.
- (c) Location of gathering areas.
- (d) Location of zones and rate areas.
- (e) Location of storage fields.
- (f) Location of natural gas fields.
- (g) Location of compressor stations.
- (h) Normal direction of gas flow (indicated by arrows).
- (i) Size of pipe.
- (j) Location of products extraction plants, stabilization plants, purification plants, recycling areas, etc.
- (k) Principal communities receiving service through the respondent's pipeline.

3. In addition, show on each map: graphic scale of the map; date of the facts the map purports to show; a legend giving all symbols and abbreviations used; designations of facilities leased to or from another company, giving name of such other company.

4. Maps not larger than 24 inches square are desired. If necessary, however, submit larger maps to show essential information. Fold the maps to a size not larger than this report. Bind the maps to the report.

System map available upon request.

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